

OVERSEAS NEWS

Protests hit Azerbaijan factories

BY LESLIE COLLITT IN MOSCOW

PROTESTS in favour of joining the disputed Azerbaijan region of Nagorno Karabakh with the neighbouring Soviet republic of Armenia closed down most factories in Nagorno Karabakh's capital Stepanakert at the weekend.

Yerevan, the Armenian capital, was largely quiet yesterday following earlier weekend disturbances. The mass stay at home movement in Armenia took place after a planned demonstration was banned by the authorities.

The Soviet authorities simultaneously stepped up a campaign accusing Armenian Nationalists who organised the protests of "anti-sovietism" and charged a prominent arrested Armenian Nationalist with anti-state activities.

Mr Paruir Alikhyan, a member of the Nagorno Karabakh Committee, which was disbanded last Friday, was charged with spreading false information and slandering the State, according to Mr Lev Timofeyev, chairman of the Press Club in Moscow, an independent human rights monitoring group in Moscow.

Polls see Mitterrand moving ahead

By Ian Davidson in Paris

PRESIDENT Francois Mitterrand, whose combative entry into the presidential election campaign last week was unanimously endorsed yesterday by an extraordinary convention of the Socialist Party, appears to have strengthened his position at the expense of his main right-wing rivals, according to three public opinion polls published over the weekend.

UK objects to Slovak crackdown

By Judy Dempsey in Vienna

THE BRITISH Foreign Office called in the Czechoslovak consul to protest against police action during a religious demonstration in Bratislava, the capital of Slovakia, on Friday night.

Police, using water cannon, broke up a demonstration by 2,000 Catholics, who had gathered in Hviezdoslav Square in front of the Slovak National Theatre, to call for full religious freedom, the observance of civil rights and the appointment of bishops to the dioceses. Ten of the country's 13 dioceses remain vacant because the authorities will not agree to the Vatican's candidates.

Several hundred demonstrators were arrested.

Mr David Mellor, Foreign Office Minister, protested to the Czechoslovak consul at the weekend at what he called the "repressive and Stalinist measures" used against the Slovaks.

The unprecedented demonstration in Bratislava has clearly taken the authorities as well as many Czechs by surprise.

Over the past 30 years, there has been practically no overt opposition to the authorities in Slovakia, of which 80 per cent of the population of 5m are Catholics. However, in recent years, the number of underground Catholic Churches has swelled in response to the authorities' persistent suppression of religious freedoms.

Opposition, up until now, has centred on Charter 77, the Prague-based independent human rights group, whose signatories and supporters come from the Czech lands and not Slovakia. While they support the need for religious freedom, Charter 77's philosophy is more politically oriented.

Slovak sources say that the violence used by the police will not deter future demonstrations.

Portuguese strike to go ahead

BY DIANA SMITH IN LISBON

OVER 200 Portuguese unions representing 2.5m people are committed to today's one day general strike.

For the first time both confederations - the mainly Socialist UGT and the CGTP, now less dependent on the Communist Party - will join forces in a mass strike.

The strike is a protest against the bid by Mr Anibal Cavaco Silva's Social Democrat government to reform rigid labour laws imposed after the leaving 1974 coup.

The reforms prohibit arbitrary personal or political sackings and provide for reinstatement. But union leaders insist they are unjust.

The Administration has already softened labour proposals three times. It refuses to make further changes.

Today's strike is seen as a test of the unions' hold on the rank and file in a public sector where workers are more unionised than in the private sector.

It is the first mass showdown in January when public sector wage bargaining turned into high-handed official offers three or four points below private sector increases, based on an abruptly lowered 5 per cent inflation target. Inflation of 7.5 per cent to 8 per cent inflation is considered more likely.

Reforms after learning they risked expulsion from the party.

The UGT claimed transport workers were told to sign lists rejecting the strike - or face dismissal. Factory workers reported the police had checked names of potential strikers.

The UGT, considered moderate, led the general strike call. It turned out the Government in January when public sector wage bargaining turned into high-handed official offers three or four points below private sector increases, based on an abruptly lowered 5 per cent inflation target.

Government resolve to carry the day made Social Democrat white collar unions back off the strike, while condemning the

Baudouin calls on Dehaene

BY OUR FOREIGN STAFF

KING BAUDOUIN of Belgium yesterday asked Flemish Christian Democrat Mr Jean-Luc Dehaene to form a government to end the country's five-month political crisis.

The 47-year-old Mr Dehaene was appointed as the King's mediator two months ago to sort out the parties' positions on a new five-party coalition. He abandoned the mission last week after talks failed to bridge differences over the language problem that toppled the last Government.

Political analysts said Mr Dehaene, who was social affairs minister in that Government, will have more clout in coalition negotiations as a result of his new appointment.

The centre-right government of Prime Minister Wilfried Martens resigned last October over the case of Mr Jose Happort, the French-speaking mayor of Fournes (Voeren in Dutch) in the Dutch-speaking province of Limburg who refused to conduct his official duties in Dutch.

Mr Dehaene, the King's third mediator since inconclusive elections last December, managed to bring five parties into broad agreement on economic and social policies.

But the French and Dutch speaking socialist and Christian democratic sister parties and the Flemish regionalist Volksunie could not agree on the financing of extended powers for the language regions.

Mr Dehaene, speaking before his new appointment yesterday, said: "The problem has been with us since the First World War. At best we can find a modus vivendi. I don't think we can find a definite solution to the language problem."

bring five parties into broad agreement on economic and social policies.

But the French and Dutch speaking socialist and Christian democratic sister parties and the Flemish regionalist Volksunie could not agree on the financing of extended powers for the language regions.

Mr Dehaene, speaking before his new appointment yesterday, said: "The problem has been with us since the First World War. At best we can find a modus vivendi. I don't think we can find a definite solution to the language problem."

Mr Dehaene, the King's third mediator since inconclusive elections last December, managed to bring five parties into broad agreement on economic and social policies.

Six suspected Soviet spies held

WEST GERMAN and Swiss security agents have made six arrests in a swoop on suspected Soviet spies in the last few days, the newspaper Die Welt said yesterday, Reuters reports from Bonn.

The conservative daily, which has good links with the intelligence community, said all six had attended a language school for government employees near Bonn, where West German secret agents also studied.

It said three of the arrested suspects were doctors, two were engineers and one was a teacher. Two of the doctors were Russian and the third Iranian.

Two other suspects had been arrested but were later released, the paper said.

Two other suspects had been arrested but were later released, the paper said.

Two other suspects had been arrested but were later released, the paper said.

Notice of Redemption of Cellular Communications, Inc. 6% Convertible Subordinated Debentures Due 2002 (Convertible into Cellular Communications, Inc. Common Stock) Redemption Date: April 27, 1988

Conversion Right Expires: Close of business on April 27, 1988

NOTICE IS HEREBY GIVEN to holders of the 6% Convertible Subordinated Debentures Due 2002 (the "Debentures") of Cellular Communications, Inc. (the "Company") convertible into the Company's common stock (the "Common Stock") that, pursuant to the provisions of the Indenture dated as of March 12, 1987 (the "Indenture") between the Company and Chemical Bank, Trustee, the Company has elected to redeem all of the outstanding Debentures on April 27, 1988 (the "Redemption Date") at a redemption price of 105% of the principal amount thereof, together with accrued and unpaid interest from March 14, 1988 to the Redemption Date.

The redemption price will become due and payable upon each Debenture on the Redemption Date, and subject to deposit by the Company with the Trustee or a Paying Agent prior to April 27, 1988 of money sufficient to redeem all outstanding Debentures; interest thereon shall cease to accrue on and after the Redemption Date.

ALTERNATIVE TO REDEMPTION

Holders of Debentures have the right, on or before the close of business on April 27, 1988, to convert the Debentures into fully paid and nonassessable shares of Common Stock.

The Debentures may be converted for the principal amount or, in the case of a Registered Security, any portion thereof which is \$5,000 or an integral multiple thereof, into Common Stock at the conversion price of \$16.00 per share. In order to exercise a conversion right, the holder of any Debenture(s) to be converted shall surrender such Debenture(s), together with all unexpired coupons, to any one of the Conversion Agents located outside the United States or (in the case of a Registered Security only), inside the United States, accompanied by a written notice of election executed by such holder that the holder elects to convert such Debenture(s) and specifying the name or names in which the shares of Common Stock deliverable upon conversion shall be registered, with the address of the person so named (and, if required, the holder's taxpayer identification number). A holder who surrenders a Debenture for conversion will receive a certificate or certificates for the full number of whole shares of Common Stock to which such holder is entitled. No fractional shares of Common Stock will be issued upon conversion of any Debenture, but in lieu thereof the Company will pay a cash adjustment in respect of such fraction in the amount equal to the same fraction of the closing price (as defined in the Indenture) per share of Common Stock on the NASDAQ National Market System on the last Business Day (as defined in the Indenture) prior to the day of conversion on which there is a closing price per share of Common Stock. Debenture(s), or portions thereof, shall be deemed to have been converted immediately prior to the close of business on the date on which such written notice of election has been received by a Conversion Agent and such Debenture(s), or portions thereof, shall have been surrendered as aforesaid, and at such time the rights of the holder tendering such Debenture(s), as holder, shall cease and the person or persons entitled to receive Common Stock issuable upon conversion shall be treated for all purposes as the record holder of holders of such Common Stock at such time.

In accordance with the terms of the Indenture, no payment or adjustment shall be made upon any conversion of an account of any interest accrued on the Debenture(s) surrendered or on an account of any dividends on the Common Stock issued upon conversion.

The closing price of the Common Stock on March 22, 1988, as reported on the NASDAQ National Market System, was \$23.00 per share (the "Closing Price"). A holder of \$5,000 principal amount of Debentures converted into Common Stock at the Conversion Price of \$16.00 per share would receive, upon sale of the shares of Common Stock at the Closing Price, and including the cash received upon conversion of the Debentures in lieu of any fraction of a share of Common Stock (as set forth in the Indenture), an amount having an aggregate value of \$7,187.50. However, such value is subject to change depending upon changes in the market value of the Common Stock and the date of conversion. If more than one Debenture shall be surrendered for conversion at any one time by the same holder, the number of full shares of Common Stock which shall be issuable upon conversion thereof shall be computed on the basis of the aggregate principal amount of Debentures (or specified portion thereof) so surrendered.

Payment for Debenture(s) delivered to any one of the Paying Agents outside of the United States will be made by United States dollar check drawn on a bank in the Borough of Manhattan, City and State of New York or by transfer to a United States dollar account maintained by the payee with a bank located in a European city. Any payment for Debenture(s) made at the office of the Paying Agent in The City of New York will be made by United States dollar check drawn on, or by transfer to a United States dollar account maintained by the payee with, a bank in The City of New York.

TRUSTEE, PRINCIPAL PAYING AGENT AND CONVERSION AGENT Chemical Bank - Corporate Tellers 55 Water Street, New York, New York 10041 United States

PAYING AGENTS AND CONVERSION AGENTS

- Chemical Bank Chemical Bank House, 180 Strand, London WC2R 1ET, England
Banque Internationale a Luxembourg, S.A. 2 Boulevard Royal, 2953 Luxembourg Ville, Luxembourg
Chemical Bank 6 Freigutstrasse, 8039 Zurich, Switzerland
Chemical Bank 190 Avenue Charles de Gaulle, 92523 Neuilly, Paris, France

Cellular Communications, Inc.

Payment for Debenture(s) made at the office of the Paying Agent in The City of New York may be subject to reporting to the United States Internal Revenue Service ("IRS") and to back-up withholding at the rate of 20% if payees not recognized as exempt recipients fail to provide the Paying Agent with an executed IRS Form W-8, certifying under penalties of perjury as to the payee's taxpayer identification (employer identification number or social security number, as appropriate). Those holders who are required to provide a correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50. Holders should therefore provide the appropriate certification when presenting their Debenture(s) for payment.

The Company has made standby arrangements with Shearson Lehman Hutton Inc. (the "Purchaser") pursuant to which the Purchaser has agreed, subject to certain conditions, to purchase from the Company such number of shares of Common Stock as would have been issuable upon conversion of Debentures which either have been surrendered for redemption or have not been surrendered for conversion on or prior to the Redemption Date. The purchase price of such shares will be an amount equal to the aggregate total redemption price of such Debentures.

The Purchaser is:

Shearson Lehman Hutton Inc.

March 28, 1988

Yamaichi Securities Co., Ltd.

is pleased to announce the opening, today, of the

Madrid Representative Office

Madrid Representative Office Chief Representative: Yorihisa Ishida Pasco de la Castellana, 50, 28046-Madrid, Spain Telephone: 571-1125 Facsimile: 411-7357



YAMAICHI YAMAICHI SECURITIES Tokyo, Japan

London, Amsterdam, Frankfurt/Main, Zurich, Geneva, Paris, Bahrain, Milano, New York, Chicago, Los Angeles, San Francisco, Montreal, Toronto, Hong Kong, Singapore, Sydney, Melbourne, Seoul, Beijing, Shanghai

OVERSEAS NEWS

Panama enacts new emergency measures

BY TIM COONE IN PANAMA CITY

THE PANAMANIAN government has announced fresh emergency measures in an effort to counter the country's deepening economic crisis.

At the weekend the government issued a decree which suspends all obligations to make payments for rented properties whether for housing, commerce or industry.

At the same time, inventories at the two principal flour mills in the country were seized by the government to head off a looming bread shortage.

The emergency measures were announced by the new president, Manuel Solís Palma, in an effort to alleviate the liquidity crisis in the country which has brought commerce and industry grinding to a halt. However, they also have important political implications, as they threaten the interests of the business sector and property owners, which form the heart of the US-backed opposition to the Panamanian strong man, General Manuel Antonio Noriega.

The suspension of rent payments is to continue as long as the state of emergency remains in force. It is now in its second week.

The flour mills, General Mills de Panama and Harinas Panama, had joined the business sector

strike which began last week. The strike is aimed at ousting Gen Noriega. The closures of the mills threatened flour supplies to bakeries throughout the country.

The Panamanian Defence Forces said that under the state of emergency all food industries will be obliged to remain functioning and that similar measures will be taken against other industries if food supplies come under threat.

The commercial strike organised by the US-backed Civic Crusade continued in effect over the weekend and left most shops closed in the main cities of Panama and Colon. Some small supermarkets and food stores remained open, with many transactions being made by special coupons issued by the government or private employers to compensate for the lack of US currency in circulation.

The closure of banks for the past month and the freezing of Panamanian government assets in the US has created a severe liquidity crisis in Panama, which does not have its own currency. US dollars are the medium of circulation.

Last Friday, the government was again unable to pay its employees, including the 16,000-strong National Guard.



Israelis sentence Vanunu to 18 years

By Andrew Whitby in Jerusalem

MR Mordechai Vanunu, the Israeli nuclear technician found guilty of espionage and treason for revealing secret information to a British newspaper, was sentenced yesterday to 18 years in prison.

In a published extract from their summing-up, the three judges said that the relatively light sentence was in consideration of several mitigating circumstances.

The three factors cited were his co-operation with the prosecution, "signs of remorse over the way he had acted," and an unexpected element - the harsh prison conditions in which he had been held over the past 18 months.

Mr Vanunu has been in solitary confinement with elaborate security measures to prevent him contacting other prisoners.

The prosecution had asked for a life sentence on each of three charges. This could have meant 35 years. Instead, Mr Vanunu can now expect to be released in ten years.

At yesterday's sentencing before the Jerusalem District Court, 28 foreign scientists presented a petition for clemency for Vanunu.

The petition appealed to the court "to recognise that Mordechai Vanunu is a man of conscience, deeply disturbed by his role in a nuclear weapons programme, who first sought religious guidance and then decided to make public his concerns."

US congress to consider measure on takeovers

BY JAMES BUCHAN IN NEW YORK

THE US Congress will this week consider a measure in the mammoth trade bill now under negotiation that will give the President the authority to stop foreign takeovers of US companies on the grounds of national security.

The amendment, which the Reagan Administration reluctantly approved in talks with Congressional negotiators last week, could block foreign takeovers not only in defence contracting but in such industries as oil and engineering. The President would have discretion to decide whether the takeover endangers US security.

The measure, which goes before the Senate and House conferees on the trade bill in Washington tomorrow, is the first big response to the growing concern of foreign takeovers, reshaped big sectors of US industry and caused a groundswell of resentment in business, local government and Congress.

Last year, objections by the Pentagon helped stymie a planned takeover of Fairchild, a big semiconductor maker with substantial military business, by Fujitsu of Japan. But the fall in the dollar exchange rate has caused a new surge in foreign takeovers, culminating in this month's \$2.5bn purchase of Firestone by Bridgestone, the Japanese tyre maker.

"In this day and age, a strong economic base is as essential to national security as are weapons," Mr James Florio, a New Jersey Democrat who sponsored the House version of the measure, told the New York Times.

The Administration accepted the measure apparently to block a proposed takeover that would have required foreigners to disclose all investments in the US.

Israeli secret service chief replaced

By Our Jerusalem Correspondent

ISRAELI army radio reported yesterday that the head of the Shin Bet, the domestic secret service, has been replaced.

He was named - for the first time - as Mr Yoacel Heremling, who was said to have served in the key security post for 11 years in two separate stints. No reason was given for the change.

In keeping with normal practice, the identity of his successor was not revealed. It is known that Mr Heremling had been called back from retirement in June 1986 when the then head of the Shin Bet, Mr Avraham Shalom, was forced to resign over the death in captivity of two Arab bus hijackers.

Meanwhile, nine more Palestinians were killed by Israeli troops over the weekend, as villagers fought to prevent soldiers carrying out mass arrests. It was the highest two-day toll since the unrest began in early December.

As a result of the night-time sweeps, a new pattern of violence is beginning to emerge in the occupied West Bank, in which youths guarding their villages take on the troops from prepared positions with stones and iron bars. In the worst incident of this kind, the soldiers shot and killed three young people in the northern village of Haythala, in the early hours of Sunday morning.

Iranians press advance on strategic dam in Iraq

BY OUR FOREIGN STAFF

IRAN yesterday claimed its Revolutionary Guards advanced further towards a strategic dam in northern Iraq, as the two countries fired more missiles at each other's cities.

At the same time Iranian gunboats raked an Indian tanker with machine-gun fire off the United Arab Emirates, setting it ablaze and wounding a crewman.

Shipping sources reported that the Iranian news agency said Guards occupied strategic heights within 5km of a dam and hydro-electric power station on Lake Darbankhan in Iraq's Sulaymaniyah province.

At least 700 Iraqi troops were killed or wounded in the fighting, the agency said. It denied an Iraqi report that three F-5 Iranian jets were shot down earlier.

Iraq said it fired four missiles at Tehran and the central Iranian city of Esfahan yesterday. A Baghdad war communique said a missile and air attacks on Tehran and other Iranian cities would continue until Iraq forced Iran to accept a Gulf war peace.

Iraq earlier reported an Iranian missile struck a densely-populated area of Baghdad yesterday, killing civilians and destroying houses and cars. The missile was launched in retaliation for Iraqi missiles which killed and wounded civilians in Tehran, according to the Iranian news agency.

Shipping sources identified the Indian tanker as the 24,529-tonne Jainarayan Vyas.

Louise Kehoe reports on a plan to give US chip-makers more access to Japan Semiconductor summit eases tension

US AND JAPANESE semiconductor industry leaders have agreed in principle to a jointly developed plan designed to increase Japanese imports of semiconductors.

In a joint statement at the end of a two-day industry summit at Monterey, California, the US and Japanese chip makers said they had made "considerable progress" towards resolving their differences over access to the Japanese semiconductor market.

with its rules on dumping," the US Semiconductor Industry Association said in a statement issued on Friday.

However, US semiconductor industry representatives said they are not yet ready to recommend that the US lift trade sanctions imposed last April, in retaliation for Japan's failure to increase foreign chip purchases as promised under the terms of a 1986 bilateral trade agreement.

Indicating that the industry group might be prepared to change its position, though, Mr Jon Cornell, senior vice-president of Harris Corporation and chairman of the US industry delegation, said: "the US industry position on sanctions is tied to the success of the actions outlined in the joint statement. We are optimistic that these actions will lead to increased market share."

Japanese industry representatives declined to comment on the sanctions, which they have bitterly opposed.

The 16-point plan includes the joint sponsorship of an international semiconductor round-table, to take place in Tokyo in October. Also, both sides agreed to support the development by governments of improved statistics on market access. This is seen as an effort to resolve conflicting trade data on semiconductor sales which has confused the issue of foreign access to the Japanese chip market.

The US and Japanese companies also agreed to work together on the issue of patent and copyright protection for semiconductor products, and on market research aimed to identify new semiconductor applications.

US industry requests to which the Japanese have acceded include support for "fast start-up" of foreign participation in the Japanese consumer electronics and automotive markets for semiconductors, which together represent more than half of the \$8bn Japanese chip market.

Japanese requests agreed by the US industry focussed on improving US sales and support efforts in Japan.

The industry plan in large part resembles recommendations that

have been discussed by US and Japanese trade officials for several months. Industry support for these measures is critical to their success and the industry-level agreement is seen as a significant step toward resolving the long trade dispute.

Even so, despite the conciliatory tone of their joint statement, the US and Japanese industrialists remain fundamentally divided on the issue of the 1986 trade pact. The US industry views the pact as the foundation for progress towards trade balance; Japanese industry representatives continue to dispute its terms.

"We are aware of US expectations for foreign producers to gain a 20 per cent share of the Japanese semiconductor market by 1991. However, we do not feel that Japan has accepted or approved this figure," said Mr Toori Sato, Hitachi's managing director of semiconductor operations. Also, Japan has never officially accepted US demands for a steady, linear increase in

market share, he added.

However, US and Japanese industry leaders pledged their support for the action plan.

A big issue raised by increased co-operation between the US and Japanese semiconductor industries is the European concern that, as Japan begins to open its market, US suppliers may be favoured over those of other countries. Addressing this concern, the US and Japanese trade groups said they are seeking co-operative relationships with their counterparts in Europe and elsewhere. US industry officials have responded to a Gatt panel ruling on the EC's complaint about the US-Japanese semiconductor trade agreement.

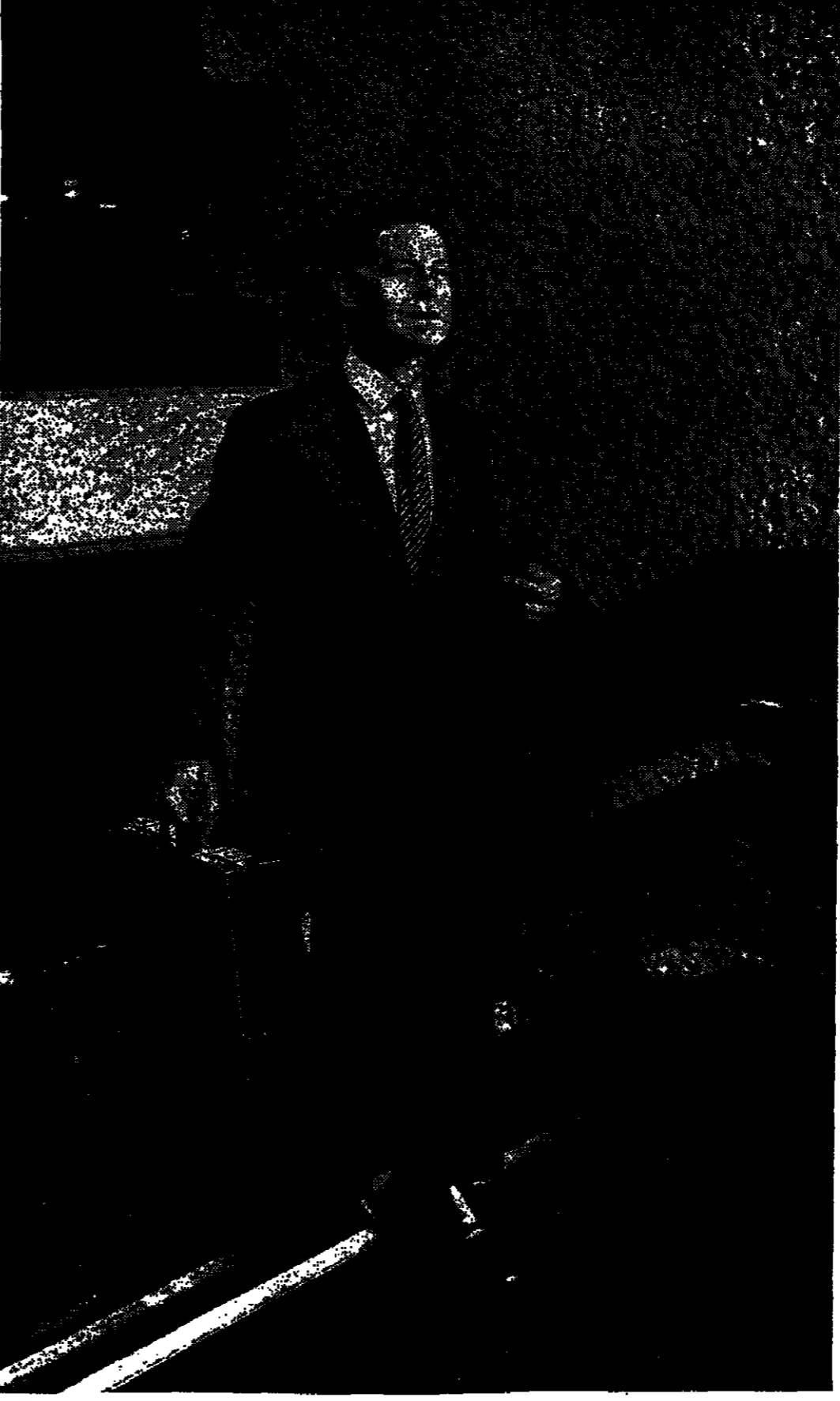
The Gatt panel did not condemn the trade pact, the US industry group stressed. "The GATT report specifically upheld the market access provisions of the agreement and, according to US Trade Representative Clayton Yentzer, also found that the third country dumping provisions of the pact were not inconsistent

The Gatt report, the text of which remains private, labelled various measures taken by Japan as inconsistent with Gatt rules against quantitative restrictions. These provisions prohibit measures including production controls, allocation between domestic and foreign purchasers, delays in granting export licences and the like, the trade group said. "Each of these measures was criticised by the US Government and by the US association last year. The Japanese Government renounced the use of these measures publicly last November," the association stated.

"The association continues to believe that, properly implemented, Japan's commitment to prevent dumping of semiconductors, as outlined in the US-Japan semiconductor agreement, is consistent with the Gatt. The association also believes that Japan remains obliged to ensure access to its market for foreign-based semiconductor suppliers," said Mr Andrew Proccassini, association president.

SIEMENS

Yesterday, this man lost two stones



We're referring to the removal of kidney stones. Without surgery. Without general anaesthetic.

Without a lengthy stay in hospital. In short, an alternative that reduces the strain on patients as well as hospital resources.

LITHOSTAR® from Siemens is a new generation of machines that dissolve renal and ureteric stones by the use of shockwaves - a principle known as Extracorporeal Shockwave Lithotripsy (or ESWL).

It is a safe and extremely effective method, using a sophisticated X-ray and digital image system to locate the stones, and to control and monitor the treatment.

LITHOSTAR is typical of Siemens continuing commitment that is helping change the face of medicine.

Siemens is one of the world's largest and most innovative electrical and electronics companies, with a clear commitment to providing a consistently high standard of service to our customers - particularly in:

- Medical Engineering
- Factory Automation
- Communication and Information Systems
- Electronic Components
- Telecommunications Networks

In the UK alone we employ around 3000 people in five manufacturing plants, research and development, engineering, service and other customer related activities.

For further information on Siemens send for our new booklet "Siemens in the UK". Siemens Limited, Siemens House Windmill Road, Sunbury-on-Thames Middlesex TW16 7HS Telephone: 0932 785691

Lithostar in action - fast elimination of kidney stones without surgery

Innovation Technology Quality Siemens

SUPER April Issue SELLERS

Japan's Marketing Innovators

In the cutthroat competition of consumer marketing in Japan, the search for a blockbuster best-seller is relentless. Innovation is the key, but timing and delivery spell the difference between a hit and an also-ran. In April, Business Tokyo takes an inside look at some of the biggest success stories and the companies behind them.

Also featured are

- Hi-Vision TV for the 1990s
- Japan's drug makers as global competitors
- Takeover tsunami: new moves in American M&A

Editorial Office:
KEIZAIKAI AOYAMA OFFICE
2-13-18 Minami Aoyama,
Minato-ku, Tokyo 107 Japan

BUSINESS TOKYO

ills see
litterat
oving
lead

OVERSEAS NEWS

White S. African politics face deepening turmoil

BY ANTHONY ROBINSON IN JOHANNESBURG

THE TURMOIL in South African white politics provoked by the rise of right-wing extremism and disarray to the left of the ruling National Party is likely to deepen this week with an expected Conservative Party victory at the Randfontein by-election.



Dennis Worrall

Mr Mulder, the main rival to Mr P. W. Botha in the National Party leadership struggle in 1976 before he was sacked for his role in the "info scandal" which erupted over illegal use of state funds for propaganda purposes, died earlier this year.

The Randfontein campaign has been marked by a low-key, disciplined performance by the NP, still reeling from its Schweizer and Standerton defeats, and bragging for years as a National Party MP before his controversial disgrace.

At the other end of the white political spectrum, this weekend marked the final demise of the old South Africa and United Parties whose moderate Afrikaner-English electoral alliance ruled South Africa for more than 30 years after the Boer war.

The demise of the NRP, meanwhile, has been accompanied by deep dissent within the ranks of the Progressive Federal Party (PFP) following the resignation of two prominent Johannesburg city councillors and a major split between "young turks" and the party's traditional "liberal" wing led by Mrs Helen Suzman and a lacklustre leadership under Mr Colin Eglin.

West Germany's Finance Minister has sights set on a record term, writes David Marsh Dogged Stoltenberg vows to battle on

"DOWN, BUT certainly not out," might be the message on Mr Gerhard Stoltenberg's lips as the West German Finance Minister today heads for the slopes at the beginning of a skiing holiday in Austria.

Facing a tide of domestic criticism over the rising budget deficit and the government's 1989 tax-cut plans, and beset by political worries in his home state of Schleswig-Holstein, the silver-haired Mr Stoltenberg has lost some political clout as the pillar of the Bonn coalition government.

1.5 to 2 per cent projection in January - was now within reach for this year.

Mr Stoltenberg's critics, in and outside the government camp, say that during the past 18 months he has failed to show necessary firmness and consistency. "For years we have had no economic policy in Bonn," says weekly one top member of the Bundesbank, the central bank, referring to repeated difficulties by the coalition partners to work out a clear-cut line on the economy.



Stoltenberg: key figure for criticism from Strauss

Asked about criticism from Strauss, Stoltenberg said he was in view of their own interests. This was confirmed at the beginning of February (during Mr Stoltenberg's conversations in Washington with Mr James Baker, US Treasury Secretary).

Industrialists who always used to be the government's strongest supporters, he replies: "The uncertainty over exchange rates has led to a more critical view (on the part of the corporate sector) of government policy. We are making steps in our programme of economic modernisation - we are for instance bringing down tax rates - but in some areas progress is slow."

Very difficult tasks are ahead, said Mr Stoltenberg. These included tackling industry's non-wage costs, which are often elevated by rigid agreements between unions and employers, as well as lowering costs in the health system, and accelerating economic deregulation in such fields as telecommunications. "You have to fight everywhere in these areas," he said.

Tempers flared last Tuesday during a meeting chaired by Mr Kohl with Mr Stoltenberg and other top coalition politicians. Faced with more CSU demands to adjust minor parts of the 1989 package, Mr Kohl obtained agreement only by banging his fist on the table and threatening indirectly to resign.

Mr Stoltenberg has been chairman since 1971 of the Christian Democrats in Schleswig-Holstein, where he was also Premier until he became Finance Minister 5 1/2 years ago. He admits that he was overstretched holding down the two jobs during the political crisis in the state last autumn over the misdeeds of Mr Uwe Barschel, the then Premier.

GKN to produce drive shafts in Chinese joint venture

BY KEVIN DONE, MOTOR INDUSTRY CORRESPONDENT

GKN, THE UK automotive components and engineering group, is to enter its first manufacturing joint venture in China, for the production of vehicle drive shafts.

Uni-Cardan, GKN's West German subsidiary, of which GKN owns 96.7 per cent, acts as GKN's holding company for its European transmission components manufacturing operations. Uni-Cardan is to take a 25 per cent stake in a new Chinese venture, Shanghai GKN Drive Shaft Company (SDS).

GKN constant-velocity drive shafts from 1989. SDS will also take over an existing plant which produces propeller shafts and universal joints, and which is operated by the Shanghai Tractor and Automobile Corporation (STAC). It supplies the shafts for the Shanghai Sedan range of cars, light commercial vehicles and heavy duty trucks, as well as for other applications. Production was close to 100,000 propeller shafts in 1986.

Abbott to offer test for second form of AIDS

BY PETER MARSH

A NEW test for acquired immune-deficiency syndrome, which determines whether people are infected by a recently discovered form of the AIDS virus that is imperceptibly detected by conventional tests, has been promised by the end of the year.

AIDS test kits, sold as simple-to-use batches of chemicals, have become widely used to check samples of blood for transmission and for confirming diagnosis of people suspected of having the disease.

Commodore sees boost in sales to E Germany

By David Goodhart in Bonn

COMMODORE, THE US-based computer company, hopes to export at least 15,000 personal computers to East Germany this year, according to Mr Robert Schoellthorne, Commodore's Chief Executive, said in London that the new HIV-2 tests should become available this year in certain countries, although exactly where the products would appear first depended on the rate of acceptance by government health authorities.

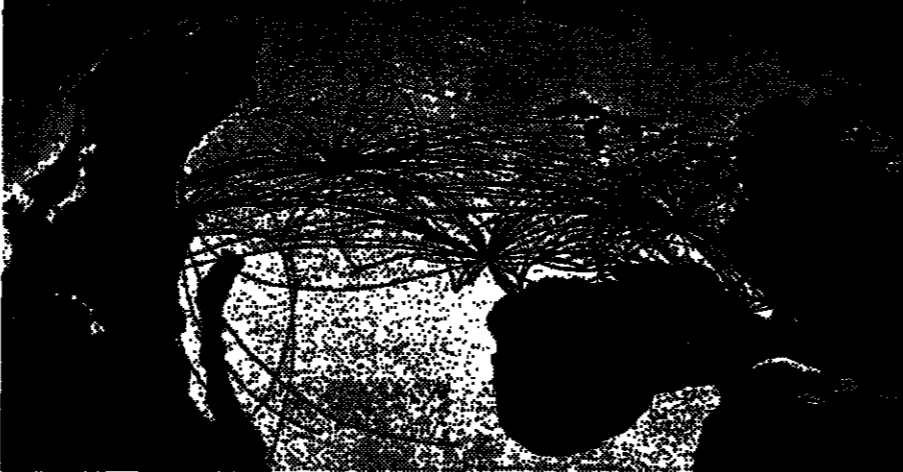
Michael Holman assesses a report on withdrawals from South Africa

Disinvestment drive has mixed success

PROPORTIONS of economic pressure on Pretoria, as a way to hasten the end of apartheid, fight their battles on two fronts: advocacy of government-backed sanctions, and pressure on foreign companies with interests in South Africa to disinvest.

In most of these cases, "the ex-subsidiary continues to have access to products, or components or managerial support, from overseas." Thus, IBM in South Africa (renamed IBM still markets IBM computers; GM (South Africa) assemblies GM models as before from imported parts, including Opel engines from West Germany; Barclays (now First National) still has credit lines for trade-related finance and management training schemes available with Barclays PLC, the report maintains.

Who Has More Flights To More Cities Across America?



Delta Of Course. With over 3,700 flights a day to over 240 cities. Together, Delta and The Delta Connection cover America. So you can get where you want to go, when you want to go.

It's No Wonder More Business Travelers Fly Delta.

Business travelers voted Delta number one in a recent USA TODAY poll. Convenience is part of the reason. Delta has served Frankfurt since 1979. From there, we fly nonstop to Dallas/Ft. Worth or Atlanta. Each city has modern, less crowded customs facilities. Delta makes travel throughout the US convenient with round-the-clock service to cities across America. And we offer special discount fares for the German traveler. In America, you can save on one-way tickets, children's fares and stand-by travel.

Year After Year, America's Favorite Airline Is Delta.

Our quality of service has earned us a record of satisfied passengers unequalled by any other major U.S. airline. For 5 years in a row, readers of TRAVEL-HOLIDAY Magazine have voted Delta "America's Best Airline."

Isn't It Time To Find Out Why? Delta makes people comfortable all over the world. But America is our home. We'd love to show you just how special our home can be.



Call your Travel Agent. Or Delta Air Lines in Frankfurt at (069) 25 60 30, in Munich (089) 1299061, in Stuttgart (0711) 2262191. Delta Ticket Offices are at Friedensstrasse 7, 6000 Frankfurt/Main, Maximiliansplatz 17, 8000 Munich 2 and Koenigsstrasse 1b, 7000 Stuttgart 1.

SHIPPING REPORT

Tanker rates pushed up by Mideast fears

By Terry Oudarovitch. PRICES in the world tanker chartering market strengthened last week as the increase in hostilities in the Middle East caused a steady upswing in demand for oil shipments.

According to E.A. Gibson Shippingbroker, the most buoyant market for owners was in West Africa, where large vessels in the million-barrel capacity range were in heavy demand, particularly for voyages to the US. By the end of the week owners were seeking to push rates even higher, after steady declines in the mid to high World Scale 90 for discharge in the US Gulf ports.

Charges in the Middle East, where some oil purchasers are seeking early shipment because of fears Saudi Arabia may seek to push up prices through further cuts in production, rose 30 about World Scale 27 for a 110,000 ton vessel for Western discharge. The market for smaller vessels, however, was much weaker, with rates slipping sharply for cargoes of around 50,000 tons to Japan. Nearer to the top of the range, a leading oil company paid World Scale 90 for an 80,000 ton cargo for discharge in the Mediterranean region.

WORLD ECONOMIC INDICATORS

Table with columns for country, indicator, and values for various months (Jan '88, Dec '87, Nov '87, Jan '87).



Barond du Plessis: No hard-nosed attitude

Despite the continued links cited by the movement, the minister expressed concern at the disinvestment trend: "A hard-nosed attitude to disinvestment is not a very clever attitude, because of the loss of the involvement of that foreign investor in his managerial expertise, his entrepreneurship, his technology and also his interest in South Africa."

This loss of interest might well lead foreign companies to "sit back with arms folded" when pressure for sanctions increased. "That is why South Africa must approach the whole issue of disinvestment with the necessary circumspection," the minister warned.



Ferranti Electronics Limited, The Metropolitan Police, The California Cake and Cookie Limited.

Just a few of the 60, many and varied, organizations whose names graced last year's Awards.

Altogether, over a thousand organizations took part in the first National Training Awards.

The competition that was set up by the MSC to reward proven excellence in the field of training.

Today Sir Austin Pearce, the patron, launched the 1988 Awards.

Supported by Channel 4's Business Programme, this year's competition will see 80 Awards given out in 3 categories.

To employers, to training establishments and for the innovative use of training methods.

So giving more organizations, whether big or small, public or private, the chance to win.

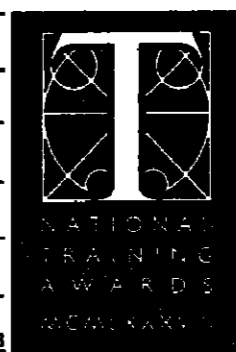
If you think training has successfully improved your organization's performance, just put your name on the coupon for an entry form.

Who knows, your name could be put on an Award this year.

FREEPOST, National Training Awards, PO Box 12, Nottingham, NG7 1BR or Phone 0800 100 100 free and ask for National Training Awards. Closing date for entries 31st May.

Name _____
 Position _____
 Company _____
 Address _____

 Postcode _____
 Tel. _____



International summit for management

Senior management and businessmen from all over the world come to the world's largest industrial fair in Hanover in order to gain a unique overview of technological developments and market trends. Industrial technology is presented here in its practical context - in a display ranging from new materials and laser technology to micro-electronics and complete CIM systems.

THE FAIR OF FAIRS

World Market for Electronics and Electrical Engineering, incl. the World Light Show

MICROTRONIC Electronic Components and Systems

INTERMATIC - Systems Display Production-oriented systems and computer technologies

ICA Plant Engineering, Transport and Traffic, Construction Technology

CE-REG Cleaning Technology, Waste Disposal, Sewage Treatment

ENERGY Energy, Air Conditioning, Environmental Technology

OPTEC Technical Optics and Laser Technology Research and Technology

New Materials

Surface Treatment

Subcontracting

Tools

Factory Equipment

Advertising and Publicity Center

20th - 27th April, 1988



For further information please contact: Arnold Rustemeyer, Riverside, Sandenstedt Road, Sandenstedt, South Croydon, Surrey CR2 0AL, Tel: 01-651-2191, 01-651-2100, Telex: 895154

UK NEWS - EMPLOYMENT

Survey foresees buoyant trend in industrial output

BY SIMON HOLBERTON

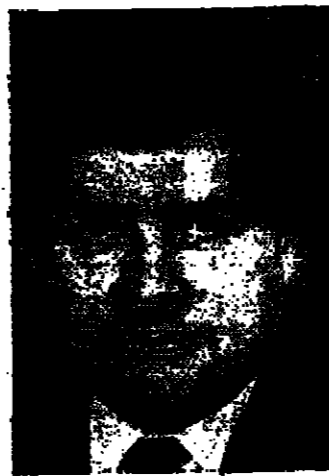
THE OUTLOOK for British industry continues to be buoyant, with further growth in domestic demand and output expected in the months ahead, according to today's survey of trends, published monthly by the Confederation of British Industry, the employers' organisation.

Industry's expectations for orders remain at their highest since 1977 and exports seem so far unaffected by the recent strength of the pound on foreign exchanges.

The CBI, however, plays down any suggestion that the British economy might be over-heating. It notes that factory gate prices are expected to rise more slowly over the forecast period than past surveys have indicated. And it says in its latest set of economic forecasts that while there is evidence of skill shortages, these are most severe at managerial level.

The CBI is also sanguine about the outlook for earnings growth and productivity. Average earnings are expected to rise by 8 per cent this year but productivity is expected to grow by around 5 per cent to 6 per cent to give a rise in unit labour costs of 2 per cent this year.

The economic forecasts suggest that investment in manufacturing will rise by nearly 10 per cent this year, compared with 3.4 per cent last year, with an accent on new capital equipment rather



Nigel Lawson: "too optimistic" on trade

than refurbishment of existing capital stock.

This high level of investment will be one of the main engines of growth this year, the CBI says. It expects a moderation in the rate of growth of exports, and to a lesser extent, consumers' expenditure.

It is, however, forecasting a much sharper deterioration in Britain's trade account than the Mr Nigel Lawson, the Chancellor of the Exchequer, did at the time of the budget - firmly placing itself in the camp of other private

forecasters who think Mr Lawson has been too optimistic in his outlook for British trade.

The CBI expects Britain's current account deficit to widen to \$5.3bn this year from \$1.6bn last, compared with the Treasury's forecast of a \$4bn current account deficit.

The CBI believes export growth will slow to 3.1 per cent this year compared with 6.7 per cent in 1987. Moreover, imports are forecast to rise by 7.4 per cent, after a 7.8 per cent rise last year.

This is mainly due to the combination of higher UK growth relative to the rest of the world and the lagged effects of a loss of competitiveness due to a stronger pound.

The industrial trends survey shows that 28 per cent of companies surveyed expect an above normal rise in exports over the next four months, against 54 per cent who expect normal exports and 17 per cent who detect below normal orders.

For total orders, 36 per cent of companies believe they are above normal compared with 16 per cent who believe they are below normal and 48 per cent who find no discernible change from current levels.

Overall, 47 per cent of companies expect their output to rise, against 10 per cent who expect it to fall, and 43 per cent who detect no change.

Dublin seeks 'shoot-to-kill' prosecutions

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

IMPROVED relations between London and Dublin took a confusing twist yesterday after Mr Brian Lenihan, Irish Foreign Minister, said that if appropriate, prosecutions should follow the current inquiries into an alleged "shoot-to-kill" policy by members of the Royal Ulster Constabulary.

Sir Patrick Mayhew, the UK Attorney General, said in January that although the Stalker-Sampson report on "shoot-to-kill" allegations against the Northern Ireland police force had produced evidence of attempts to pervert the course of justice, there would be no prosecutions, because of security considerations.

Mr Tom King, Northern Ireland Secretary, subsequently announced that Mr Charles Kelly, Chief Constable of Staffordshire, would conduct fresh inquiries into the affair, which

could result in disciplinary measures against those involved.

The UK Government's failure to institute legal proceedings was condemned by Dublin, which claimed that the decision would undermine the confidence of Catholics in the administration of justice in Northern Ireland.

Mr Lenihan said on BBC radio yesterday that if the allegations were sustained in a prima facie manner, prosecutions should follow.

He said that the Irish Government's expectation was that there would be prosecutions against senior RUC officers after the outcome of the present investigations.

Mr Lenihan said Mr King had assured him of immediate progress on the issue and had also stressed that it was in everyone's interest that it should be settled.

He would not speculate on the consequences for the Anglo-Irish agreement if prosecutions did not follow.

The Northern Ireland Office, a department of the UK Government, said last night, however, that the investigations being conducted by Mr Kelly were exclusively concerned with possible disciplinary proceedings against RUC officers, a fact of which the Irish Government was well aware.

Two men appeared at Belfast Magistrate's Court on Saturday charged with the murders of Corporals Derek Wood and David Hoopes at the funeral of IRA man Kevin Brady on March 15.

Mr Henry Maguire, 38, and Mr Alexander Murphy, 30, both from Andersonstown, West Belfast, were remanded in custody.

Are you entitled to a tax-free Meister?



Many people working or living abroad find the purchase of a tax-free Volvo a fast and troublefree process. You will find all you need to know, including a brief on the extensive Volvo range, in the Volvo Tax-free Handbook. Just fill in the coupon.

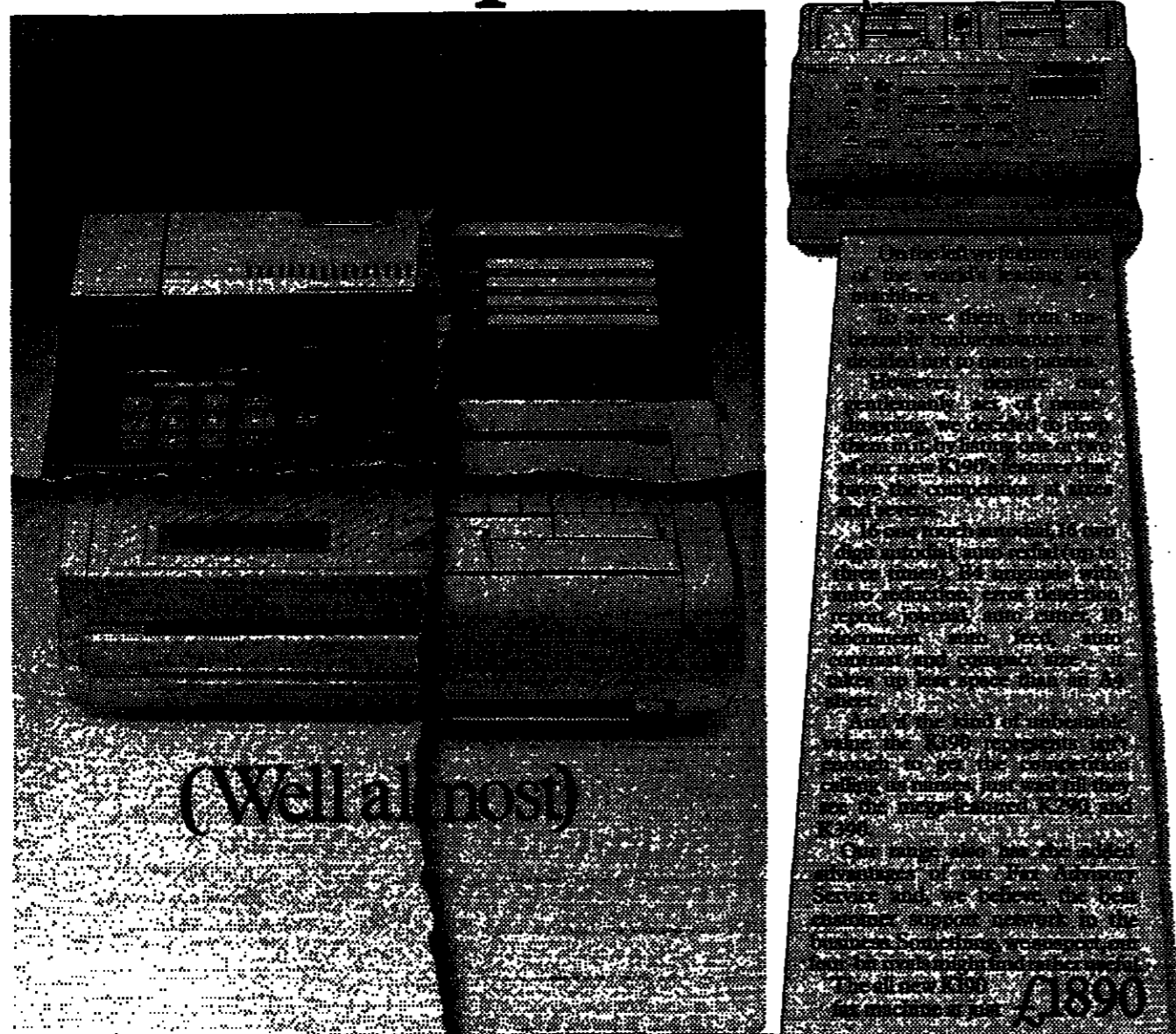
THE VOLVO TAX-FREE HANDBOOK 1988

To Volvo Tourist & Diplomat Sales, 5-605 98 Göteborg, Sweden. Please send me the Volvo Tax-Free Handbook and any information about the Volvo 240 series, the Volvo 240 GLE series, the Volvo 740 series, the Volvo 740 GLE series, the Volvo 460 GLE series, the Volvo 750.

Name _____
 Address _____
 Zip Code _____
 City _____
 Country _____
 Phone _____
 Country of final use _____

VOLVO
 Tourist & Diplomat Sales

If they got their act together, they would have a fax as impressive as ours.



To: Konica Business Machines (UK) Ltd., 6 Miles Groy Road, Basildon, Essex SS14 3AR. Telephone: (0268) 27872. Fax: (0268) 26030. Please send me further information on the world's first upright fax.

Name _____ Position _____
 Company/Address _____
 Tel _____



KONICA BUSINESS MACHINES

Call Konica first.

Do you need to say it with flowers thousands of times a day? You do if you're reaching for the sky.



In Thailand, people are passionate about flowers. But it is the orchid which reflects so much the gentle, charming ways of the Thai people. And this is shared with every passenger who flies on Thai. A gift of a fresh orchid corsage is just one of the features that's made Royal Orchid Service so famous. Thai. Centuries-old traditions. Innovative thinking. State-of-the-art technology.



UK NEWS

Ballot ends strike at Land Rover

BY RICHARD TOMKINS, MIDLANDS CORRESPONDENT

SIX THOUSAND hourly-paid employees at Land Rover, the vehicle maker, to work this morning at the end of a bitter five-week pay strike which halted all production at the company's Solihull plant in the West Midlands.

The unions said at the weekend that a postal ballot of members had shown 79 per cent in favour of the recommendation that the management's revised pay offer should be accepted.

The outcome will be seen as a victory for the company which refused throughout the dispute to increase its offer. Both sides acknowledge that the revised terms involve only cosmetic changes to the original deal.

Land Rover's unions held the

postal ballot at the end of last week after a vote taken in a mass meeting of strikers on Wednesday failed to show a clear majority willing to accept the revised proposals.

The meeting ended in uproar with many workers accusing their unions of a sell-out.

But by Saturday morning, of the 5,517 votes in the postal ballot received, 4,332 were in favour of the unions' recommendation, 1,185 were against, and 27 papers were spoiled.

The ballot majority was greater than that indicated by the "show of hands" called at Wednesday's mass meeting, suggesting that many workers had changed their minds after reflecting on the chances of securing a more

favourable outcome, in a dispute that had already cost them about 2800 each in lost wages.

There had also been signs of weakening commitment to the strike, with a slowly rising number of workers crossing picket lines to return to work - a total of 240 by the end of last week.

Land Rover, a subsidiary of the state-owned Rover group, produces 300 Range Rovers and 450 Land Rovers in a normal week. Output last during the five-week strike is valued at about £75m at showroom prices.

The two-year pay package accepted by the production workers will increase the grade three basic rate of £145.80 a week to £158 in the first year and £161.00 in the second year - a total of

13.9 per cent.

However, part of this increase will be funded by the consolidation of existing bonuses, so its real value is far less. The unions say it is worth nearer 9 per cent.

Mr John Allen, divisional organiser of the Amalgamated Engineering Union, acknowledged at the weekend that the outcome of the dispute could not be seen as a victory for the workers.

"Land Rover was never able to follow the dictates of business and commercial logic," he said.

"It had to follow the dictates of central government and that made it impossible for our members to achieve what they would regard as a satisfactory outcome."

NUS refuses 'no-strike' pledge

BY JIMMY BURNS, LABOUR STAFF

THE NATIONAL Union of Seamen could face further legal action this week after refusing to give a firm commitment not to take industrial action.

It also confirmed yesterday that it planned to announce on Wednesday the results of a national strike ballot.

A High Court judge on Friday described the ballot as an "ingenious and ingenious attempt to get round the law," and warned the union it could face seizure of its funds if it called a national strike.

Mr Mike Gibson, the NUS's official spokesman, said yesterday that while his union had reflected on the decision and intended to remain within the law, it would not stop the ballot nor tell its members not to strike.

However, Peninsular & Oriental Steam Navigation Company (P&O), which was granted a suspended sequestration order against the union on Friday, said yesterday it believed the High Court ruling clearly barred the union from conducting the ballot and any action resulting from the ballot.

It is understood the company believes Mr McCluskie and other NUS officials are anxious for a

settlement but that he faces a leadership challenge from an increasingly militant membership.

Early released results of the union's ballot, which began to be organised last week, are believed to show a 2-1 majority in favour of national strike action over redundancies and changes to working conditions in a declining industry.

The P&O ferry strikes continued to cause long delays for freight lorries over the weekend in the port of Dover, despite special night sailings operated by Sealink UK.

Labour party leadership battle intensifies

By John Hunt

THE LABOUR Party leadership contest intensified last night with the left-wing Labour Co-ordinating Committee deciding to consider persuading a second candidate to contest the deputy leadership against Mr Roy Hattersley.

The committee, which includes about 40 members of parliament, as well as local party workers and trade unionists, strongly condemned the decision of Mr Tony Benn, left-wing MP for Chesterfield, to contest the leadership against Mr Neil Kinnock.

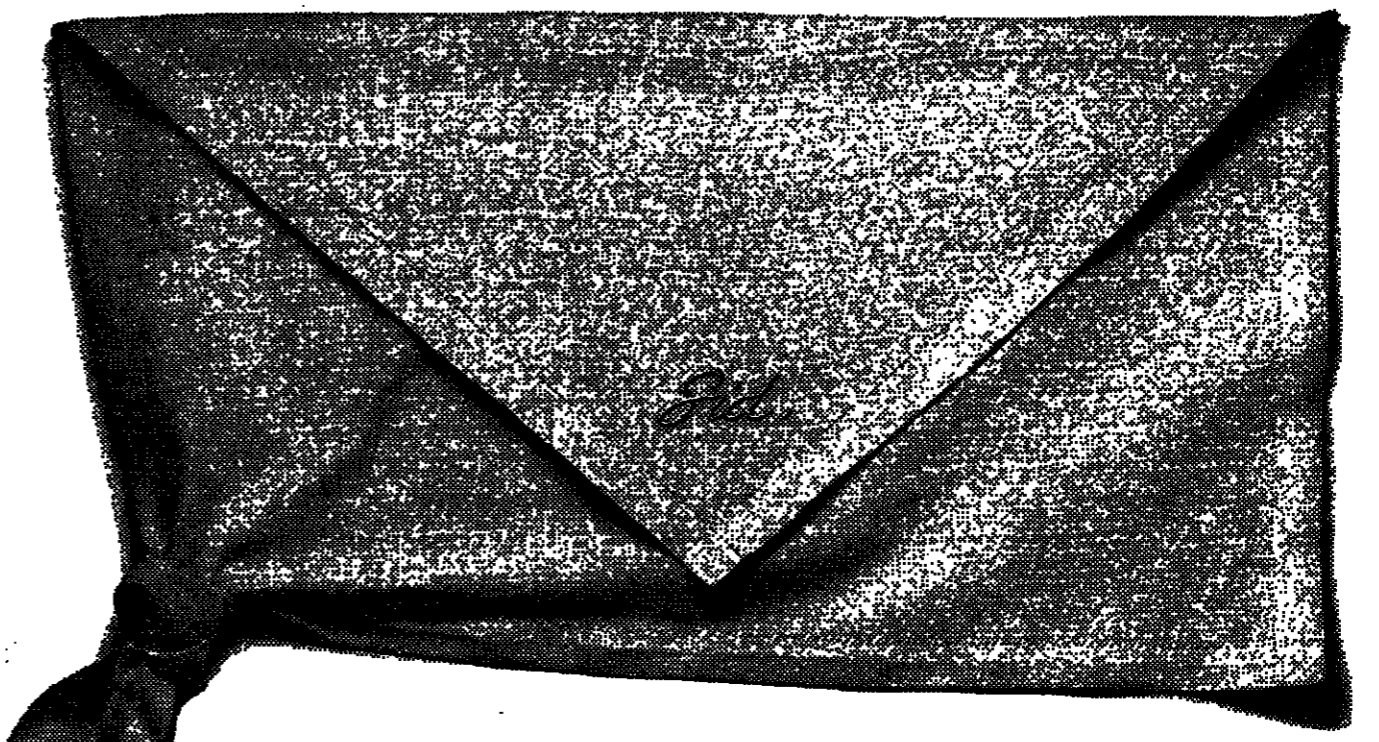
Mr Paul Thompson, committee chairman, said it had decided to seek another contestant for deputy because it was dissatisfied with the choice between Mr Hattersley and Mr Eric Heffer, left-wing MP for Liverpool Walton.

He said it wanted somebody from the "broad left" to enter the contest but admitted that it would be difficult to find a candidate.

It accused the hard-left Campaign Group, which is backing Mr Tony Benn's bid for the leadership, of being "obsessed with internal party battles."

Mr Jeremy Corbyn, a London MP and the Campaign Group secretary, was optimistic that Mr Benn would get the backing of the National Union of Mineworkers. He said Mr Arthur Scargill, president of the union, and Mr Peter Heathfield, general secretary, favoured Mr Benn.

BRITISH GAS SHAREHOLDERS: HAVE YOU HAD YOUR PAYMENT NOTICE?



If you've got shares in British Gas you should have had a payment notice by now, telling you exactly how much you've got left to pay.

If you haven't had your payment notice, call the Share Enquiry Line on 0272 373 373 (the lines are open 8am to 8pm every day), or write to National Westminster Bank PLC, Caxton House, PO. Box 343, Redcliffe Mead Lane, Bristol BS99 7SQ. If you've moved house recently, remember to check at your old address before calling the Enquiry Line.

When you get your payment notice just put it in the pre-addressed envelope with a cheque for the right amount. Then post it back to us as soon as possible to arrive no later than April 19th.

Shareholders who don't pay their last instalment on time could lose their shares and any entitlement to gas bill vouchers or bonus shares.

A receipted document will be sent back to you and you'll receive your final Share Certificate in due course.

FOR THE LATEST CITY NEWS AND PRICES THROUGHOUT THE DAY PHONE CITYCALL

CITYCALL DIRECTORY for full details of all Citycall bulletins 0898 12 12 12

MARKET SUMMARIES

| | | | |
|-----------------------|---------------|------------------|---------------|
| General Market Report | 0898 12 12 20 | Foreign Exchange | 0898 12 12 30 |
|-----------------------|---------------|------------------|---------------|

SHARE PRICES

| | | | |
|--------------------|---------------|--------------------|---------------|
| Active Shares | 0898 12 12 25 | Leading Shares L-Z | 0898 12 12 31 |
| Leading Shares A-K | 0898 12 12 40 | Recent Issues | 0898 12 12 55 |
| | | Popular Shares | 0898 12 12 57 |

EXPERT INTERVIEWS

| | | | |
|------------------|---------------|-------------------|---------------|
| Currency Hotline | 0898 12 12 35 | Unit Trust Review | 0898 12 12 75 |
|------------------|---------------|-------------------|---------------|

OVERSEAS COVERAGE

| | | | |
|----------------------|---------------|--------------------|---------------|
| World Markets Report | 0898 12 12 11 | Wall Street Report | 0898 12 12 12 |
|----------------------|---------------|--------------------|---------------|

CITYCALL

Calls are charged at 5p for 12 seconds off-peak/8 seconds peak inc VAT. A BRITISH TELECOM SERVICE

For those who find it hard to choose between a beach and a mountain holiday.

Cala Conti (Ibiza)

Mecina-Bombarón (Granada)

Calella (Girona)

Playa de Lanzada (Pontevedra)

Valle de Arán (Lérida)

Puerto Ventana (Asturias)

Lanzarote (Canarias)

Andalusian countryside.

The beach or the mountains? This is a good question that deserves a good answer: Spain. So that you don't have to give up anything, our country offers you thousands of kilometres of beaches, as well as impressive mountains with many woods, valleys, and incredibly beautiful meadows.

This is why we recommend that, in addition to your swim-suit, your wind-surf and beach towels, you pack some good walking boots and even your skiing equipment in your luggage. You will be able to use them all on the same day. Have no doubt about it.

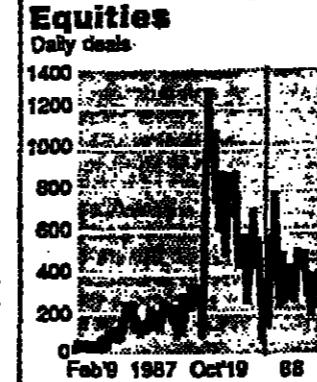


UK NEWS

More inter-dealer brokers to open

BY BARRY RILEY

Tullett & Tokyo Equities



New competitors have been attracted partly by the knowledge that Tullett and First Equity have benefited from the change in market conditions since last October's crash.

Mr Hagan said there was a "window of opportunity" for trading top European stocks because the settlement procedures for ADRs were much simpler.

The result was a leap in the volume of business through IDBs, which has only partly tapered away as conditions have become more normal.

At Fulton, Mr Foy intends to begin with mostly alpha stocks in six sectors. He said the equity IDB business allowed scope for specialisation.

Consumers' Association urges price caps on BT

By Terry Dodsworth

THE CONSUMERS' Association is calling for tougher controls on British Telecom charges, including a price cap on each service in which the group has a monopoly.

The call comes in response to the review being conducted by the Office of Telecommunications, the industry's regulatory body.

In its submission to OfTel, the association also asks for a clear statement about the quality of service BT is expected to achieve, along with rebates where standards fall below required levels.

On the second point, BT has already moved some way to accommodate complaints, with the announcement last week that it will begin compensatory payments to customers for delays in repairing faults and installing lines from April next year.

The association comes down in favour of establishing a price cap, but says the formula should be made tougher. It recommends that the present limit of price increases in the domestic services to 3 per cent should be reduced to 2 per cent.

In addition, the association argues that the price formula should be extended to the full range of voice telephone services in which BT has a monopoly.

At present, only a little more than half of BT's revenues are covered by these arrangements. Moreover, a price cap applied to individual services would prevent BT from rebalancing tariffs within a wide basket of products and thus raising charges in some specific areas, the association says.

While the present broad-based formula covering a basket of services has been in force, the price of local calls has increased by 3 percentage points above the rate of inflation, the association claims.

It further recommends that there should be an annual statement on all BT prices.

Market-makers enabled to trade shares by the million

STOCK EXCHANGE market-makers will be able to trade shares by the million from today, but no unusually big bang should be expected, writes Clay Harris.

The maximum size of lot which market-makers can quote on the SEAQ screen-based system has been raised from 100,000 to "in excess of 900,000."

awaited technical enhancements to SEAQ, the timing is ironic considering the low trading volume of recent weeks.

Market-makers are already allowed to deal in lots larger than 100,000, but most believe the scope for routine trading in 500,000 shares, for example, is limited to 30 or 40 large-capitalisation stocks.

As a result, they do not expect to see an immediate rush into day-to-day quotation of larger lots. Some are wary, however, of an unforeseen effort by competitors to use the new facility to try to grab market share.

Under the new system, prices can be displayed on the screen from "1L" for 100,000 shares up to "XL" for lots of more than 900,000 shares.

Two other technical changes take effect on SEAQ this week. From today, any bargains with special conditions attached must carry a "C" following the price.

From tomorrow, market-makers in gamma shares, the third largest of four classes of shares traded in London, will be able to quote firm prices for the minimum 1,000-share lot.

Engine shortage to cost Talbot 20,000 sales

BY JOHN GRIFFITHS

SHORTAGES of engines and transmissions produced by Peugeot Talbot's parent group in France will cost about 20,000 potential British sales this year, according to Mr Geoffrey Whalen, Peugeot Talbot's managing director.

But Mr Whalen insisted that the company had a good chance of reaching sales equivalent to 7 per cent of the British market by the end of this year.

He predicted that an unprecedented double-figure share in Britain was "achievable next year" by Peugeot and Citroen together. Both are part of the PSA group.

combine trading on the heels of Vauxhall and Rover Group. Mr Whalen conceded that "it does not appear likely that we will overtake either of them."

He was speaking during a press preview of diesel and automatic versions of Peugeot's new 405 medium saloon. They are to go on sale later in the spring.

Mr Whalen disclosed that last year Britain became the first market outside France where Peugeot's sales exceeded 100,000 units. He said British sales this year should reach 125,000.

The way should then be open for Peugeot Talbot to achieve its goal of an 8 per cent share of the British market, said Mr Whalen.

He added that next month the British subsidiary would announce a net profit for last year of at least £10m, which would be "the best result for over 27 years."

That seemed inconceivable as recently as mid-1987. Mr Whalen said then that break-even was the most likely outcome for a year in which Peugeot Talbot abandoned its problematical Feykan car kits

production start-up costs for the 405 at its Ryton plant near Coventry.

When the company announced that the 405 would be built at Ryton in addition to the 600 308 hatchback, Peugeot Talbot held out the prospect of up to 1,000 extra jobs.

Mr Whalen said that in fact some 1,400 employees had been recruited since last summer, bringing the total workforce up to 6,000.

Advertisement for Federale Mynbou Beperk, General Mining Union Corporation Limited, and Oryx Gold Holdings Limited. Includes terms of rights offer and list of merchant banks.

Contracts & Tenders section with 'AVIS D'APPEL D'OFFRES OUVERT INTERNATIONAL' for the Morocco Ministry of Transport and Casablanca Airport.

Republic of Ghana - Volta River Authority Northern Electrification and System Reinforcement Project (Distribution). Includes bid details and contact information.

Republic of Ghana - Volta River Authority Rural Electrification Project - Northern Ghana. Includes bid details and contact information.

Chairmanship of TCDD Central Purchasing and Sales Commission ANKARA. Lists various types and quantities of workshop machines.

Company Notices section including 'NEW KLEINBERN PROPERTIES LIMITED' and 'LEGAL NOTICES'.

Ministers give little ground as poll tax juggernaut rolls on. Article discussing the community charge and political implications.

Peter Riddell on the bill to reform local government finance which returns to the political limelight in the Commons next month after 147 hours of committee debate.

Art Galleries section with 'GERRI GALLERIES' and 'THE MALL OF THE LANCASHIRE ACT 1988'.

Blackburn to be second business partnership town

BY IAN HAMILTON FAZEY, NORTHERN CORRESPONDENT

BLACKBURN, Lancashire, is to be Britain's second "one-town partnership" for creating jobs and developing a more stable economic base. The partnership — of public and private sectors — will be sponsored by Business in the Community and supported personally by Prince Charles, BIC's president.

This follows a year's successful operation of the Halifax-based Calderdale partnership in West Yorkshire, where a strong group of local political and business leaders has emerged to take the initiative in economic development.

By using BIC's national contacts — and by the exertion of moral pressure that only its president can exert — the partnership has attracted projects and investment to the area from national business leaders who admit they would otherwise have never thought of going there even to look.

BIC, which is supported by most of Britain's leading companies and is the main body promoting private sector involvement in urban problems and economic revival, has been looking to extend the Halifax experiment for several years.

The Blackburn partnership, which will include the neighbouring town of Darwen, is being sponsored locally by Coleroll, the wallcoverings group headed by

Mr John Ashcroft, which is based nearby and draws labour from the area.

Unemployment in Blackburn and Darwen is about 12 per cent. Most of the industry is in the manufacturing sector, but in "branch" plants. This makes the towns over-susceptible to trade cycles.

The partnership will try to broaden the economic base of the 140,000-strong community by bringing in more commercial and professional jobs, or helping to create them locally, and encouraging more small businesses.

Local employers include Crown Paints, part of the Williams Group, Crown Coverings, which is owned by Seed International; JCI Plastics; Mullard, which has just announced 350 job losses; and a Royal Ordnance factory, which does general engineering for its new owner, British Aerospace. There are also the local authority, the Chamber of Commerce — Mr Jim McKinstry, its director, also runs the local enterprise agency for small businesses — trade unions and the local voluntary and educational sectors. Support will also come from Lancashire County Council.

Economic growth above 3% predicted

By Philip Stephens, Economics Correspondent

BRITAIN'S ECONOMY is set to expand by more than 3 per cent this year while inflation should remain below 4 per cent, the London Business School says in a review of the economic outlook.

The LBS says that its own projections mirror the Treasury's relative optimism, although it expects the deficit on the current account of the balance of payments in 1988 to be slightly above the official £4bn forecast.

Rising consumer spending will continue to provide the main impetus to overall growth, but investment is also likely to increase significantly.

The LBS's forecast of an annual inflation rate of 3.7 per cent in the last three months of this year compares with the Treasury's forecast of a 4 per cent rise in prices.

The LBS says that the sharp rise in government revenues over the past year allowed Mr Nigel Lawson, Chancellor of the Exchequer, to be both "cautious and generous" in the Budget. Further large and unexpected revenue windfalls, however, are less likely as the economy begins to slow.

Philip Stephens examines a darkening international backdrop to the buoyancy of the £

Unease in the longer view of the economy

THERE IS a sense in which last month's sharp deterioration in Britain's trade position provides a welcome respite for the Government.

Starling's fall against the D-mark in the wake of Friday's official figures will take some heat out of the row over exchange rate policy between Mrs Margaret Thatcher, the Prime Minister and Mr Nigel Lawson, the Chancellor.

But those in Whitehall with a slightly longer focus may feel distinctly uneasy. They may also wonder whether the Budget combination of £4bn in tax cuts and a public-sector debt repayment of £3bn was quite as prudent as the Government claimed.

Friday's figures showed a cumulative deficit on the current account of the balance of payments of £1.5bn in the first two months of 1988. That is only slightly below the gap of £1.7bn in the whole of 1987.

It should be stressed that the Treasury is probably right when it says that data for January and February are even more distorted than usual. The traditional statistical "noise" in the monthly figures, which makes them liable to substantial revision, has been heightened by two factors.

Those are changes in Customs documentation and industrial disputes in the cross-Channel ferry and car industries.

An apparent sharp fall in

exports does not square with evidence that manufacturing output has continued to rise strongly, or with surveys from the Confederation of British Industry showing still-buoyant foreign order books.

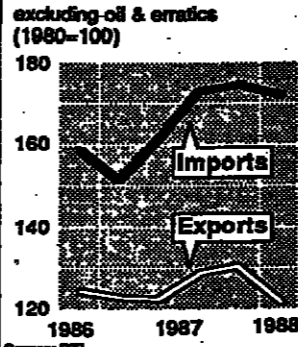
A rather smaller drop in imports equally does not fit the picture of continuing rapid demand in Britain's domestic economy.

Even the most pessimistic economic forecasters are unwilling to claim that the prospective deficit for the whole of 1988 is the £3bn or £3bn implied by the first two months.

But confidence that the short-fall can be held down to the £4bn predicted by the Treasury in the Budget is decreasing. That figure is itself more than twice last year's level.

The official view that the position will stabilise to the first half of 1988 owes as much to political as to economic judgement.

Trade volumes excluding oil & erratic (1980-100)



Exports does not square with evidence that manufacturing output has continued to rise strongly, or with surveys from the Confederation of British Industry showing still-buoyant foreign order books.

A rather smaller drop in imports equally does not fit the picture of continuing rapid demand in Britain's domestic economy.

Even the most pessimistic economic forecasters are unwilling to claim that the prospective deficit for the whole of 1988 is the £3bn or £3bn implied by the first two months.

But confidence that the short-fall can be held down to the £4bn predicted by the Treasury in the Budget is decreasing. That figure is itself more than twice last year's level.

The official view that the position will stabilise to the first half of 1988 owes as much to political as to economic judgement.

against the D-Mark after the decision to abandon the previous DM3 ceiling means that the position has deteriorated further.

That loss of competitiveness may be worsened by a slowing in growth rates, and thus demand for imports, in Britain's main overseas markets. Treasury projections suggest that domestic demand in the seven major industrial economies will expand by 2.5 per cent in 1988, below the 3 per cent growth seen last year.

Britain's appetite for imports, however, looks likely to be anything but subdued. The £4bn worth of tax cuts announced in the Budget will give further impetus to a consumer boom already fuelled by faster growth in earnings than in prices.

Economic studies suggesting that the more affluent tend to save a large slice of tax windfalls like those in the Budget are far from conclusive.

Against that background, official forecasts that domestic demand in the economy will grow by 4 per cent this year look, if anything, conservative. The statement in the Budget "Red Book" that the deficit on non-oil trade will show little further change from the second half of 1987 then looks difficult to explain.

The Government can point to one or two more encouraging factors. Exporters' profits in 1987 were particularly strong, suggest-

Official figures for the first months of the year are more distorted than usual

The trend in visible trade over a longer period underlines the recession. In the six months to February the volume of imports, excluding oil and erratic items, rose by 6 per cent

SLD hits at Labour 'silence' over Ford

BY TOM LYNCH

THE "GRAVEN SILENCE" of the Labour Party over the doomed Ford project in Dundee was attacked by Mr David Steel, the interim joint leader of the Social and Liberal Democrats, at the party's Scottish launch convention in Aberdeen at the weekend.

Mr Steel blamed the leftward swing in the recent elections to the executive of the TGWU for stiffening resistance to the single-union deal between Ford and the engineering union.

"The Labour leadership collectively has been able to do nothing. There has been a collective, graven silence. The trade unions provide 85 per cent of their funds. They cannot say boo to a goose, especially one that lays the golden eggs."

Mr Malcolm Bruce, the SLD's trade and industry spokesman in the Commons, said the Ford debacle would make it more difficult for Scotland to attract investment. "The disastrous conduct of the Labour movement in relation to Ford has done Scotland immense damage. I do not believe that damage can or should be forgiven or forgotten."

"It is not just one plant that has been lost, it is Scotland's image that has been tarnished by the Labour movement."

Mr Jim Wallace, the party whip, said the affair demonstrated that Labour's claim to

political leadership in Scotland was "intellectually hollow and morally bankrupt."

The convention was a low-key affair, with a mood of some despondency among activists fearful that the damage done by the months of feuding over the merger between the Liberals and the SDP would cost seats in May's district council elections.

There was also some frustration at the inability of Scottish MPs from opposition parties — 62 of the total of 72 — to block legislation.

Mr Robert MacLennan, the party's other joint leader, said it would take "a few weeks, a few months" to repair the damage inflicted by the merger wrangling. "Although there is some blood on the carpet, we are now ready for the task that faces us."

Mr Steel said the end of the merger process opened the prospect of "a generous, effective future, an unstoppable force of conscience and reform."

The most effective speech in reviving flagging spirits was made by Sir Russell Johnston, MP for Inverness, Nairn and Lochaber and the interim leader of the Scottish SLD. "We are back in business," he said to applause. "And in our new unity stronger and more determined than before."

TUC in Ford meeting, Page 10

Spicer offers US power companies role in Britain

BY MAURICE SAMUELSON

US POWER STATION companies will be welcome to operate nuclear as well as conventional plants in Britain once the electricity industry has been privatised, Mr Michael Spicer, the Energy Undersecretary, said yesterday.

He made the offer in a speech to electricity utilities in Miami, Florida, where he said some of the most radical aspects of the electricity privatisation white paper had been inspired by the US electricity system.

Addressing the Southeastern Electric Exchange, Mr Spicer said that by giving nuclear or renewable sources of electricity a guaranteed strategic part of the market, the Government had "opened the way for private companies to invest in nuclear power."

Although the Government was "not starry-eyed" about the difficulties of investing in nuclear plants, he heard from several examples of successful US private nuclear power investment.

However, there were other aspects of the US electricity scene that would be avoided.

"One lesson I have learnt from studying some parts of the US is that the regulatory regime in effect takes over the running of the industry and stifles innovation. We are determined that our regulatory regime will have the reverse effect."

In particular, the British regulatory regime should not interfere with the plan to evolve towards a fully competitive regime for power generation.

Improve NHS efficiency further, urges Moore

BY ALAN PIKE, SOCIAL AFFAIRS CORRESPONDENT

NATIONAL HEALTH Service performance could be improved still further in spite of recent efficiency gains, Mr John Moore, Social Services Secretary, said in a weekend speech.

Costs within a group of similar health districts could vary by as much as 50 per cent, he said.

Even when adjusted to take account of different types of patient, some districts were 15 per cent more costly than expected and others 15 per cent less.

"In other words, £1 spent on health care in one place might buy £1.15 worth of product, whereas somewhere else it might buy only 89p worth."

The Government intends to use performance indicators which the Department of Health and Social Security collects for each health district to stimulate debate about local variations in performance.

Mr Moore, addressing the British Guild of Newspaper Editors conference in Birmingham, said the indicators showed that in acute cases the national average length of hospital stay was gradually falling and the amount of time beds stayed empty had dropped, leading to an increase in the number of patients treated.

The system was becoming more efficient but there was no room for complacency. The indicators showed that there were still considerable variations in performance between districts. Some treated only 25 patients a year in each surgical bed while others managed 88.

First & Clipper Class

No wonder Pan Am's number one.

Pan Am flies more business people across the Atlantic than any other airline and with good reason.

At Heathrow, only Pan Am gives you seven days free car parking and valet service.

Our roundtrip advance boarding pass speeds your departure.

On board there are luxurious Sleeperette seats in First Class.


Or wide, six across seats in Clipper[®] Class.

Across America, we also give two days free Alamo car rental (excluding New York).


In New York, Pan Am's Worldport[®] is the only terminal with all domestic and international connections under one roof. Or, if you're going into Manhattan we'll lay on a chauffeur-driven limousine at no cost.

Coming back, we even provide your own exclusive Private Terminal at JFK.


At Pan Am, it's by putting you first, we got to be number one ourselves.



FREE VALET PARKING AT HEATHROW.



NO TERMINAL-HOPPING AT JFK.



PAN AM

Number One Across The Atlantic.

LONDON TO THE U.S.A., FLAT OUT

*When you've had a few and you're miles from home,
it's not your brain that does the thinking.*

These words were spoken by Robert. Four years ago he was diagnosed as HIV positive. (HIV is the virus which causes AIDS.)

He has never had a homosexual experience, nor has he ever injected drugs.

He is 42 years old, and until recently he was an executive with a large multinational company.

To protect him, his name and some of the details have been changed, but in all other respects the story is true.

"You could say I'm part of the generation that thinks it invented sex.

I'd always taken it for granted that easy sex was my birthright, and during 20 years of working life I had plenty of chances, because travel was a large part of my job, mainly in Europe.

I'm not saying that all businessmen when they travel behave like I used to.

But enough of them do, and enough of them are going to screw up their lives if they carry on.

TEMPTATIONS.

When you're on your own abroad and you've just finished a tough day, you feel you deserve something more exciting than bed with a good book.

Drinks, dinner and drinks might kill three hours, but by then it's still only 10 or 11 o'clock and a lonely bed beckons.

When I was in that situation, and loosened up by the booze I'd be looking for a girl to chat up.

But if that didn't work, I'd be quite happy to pay for it.

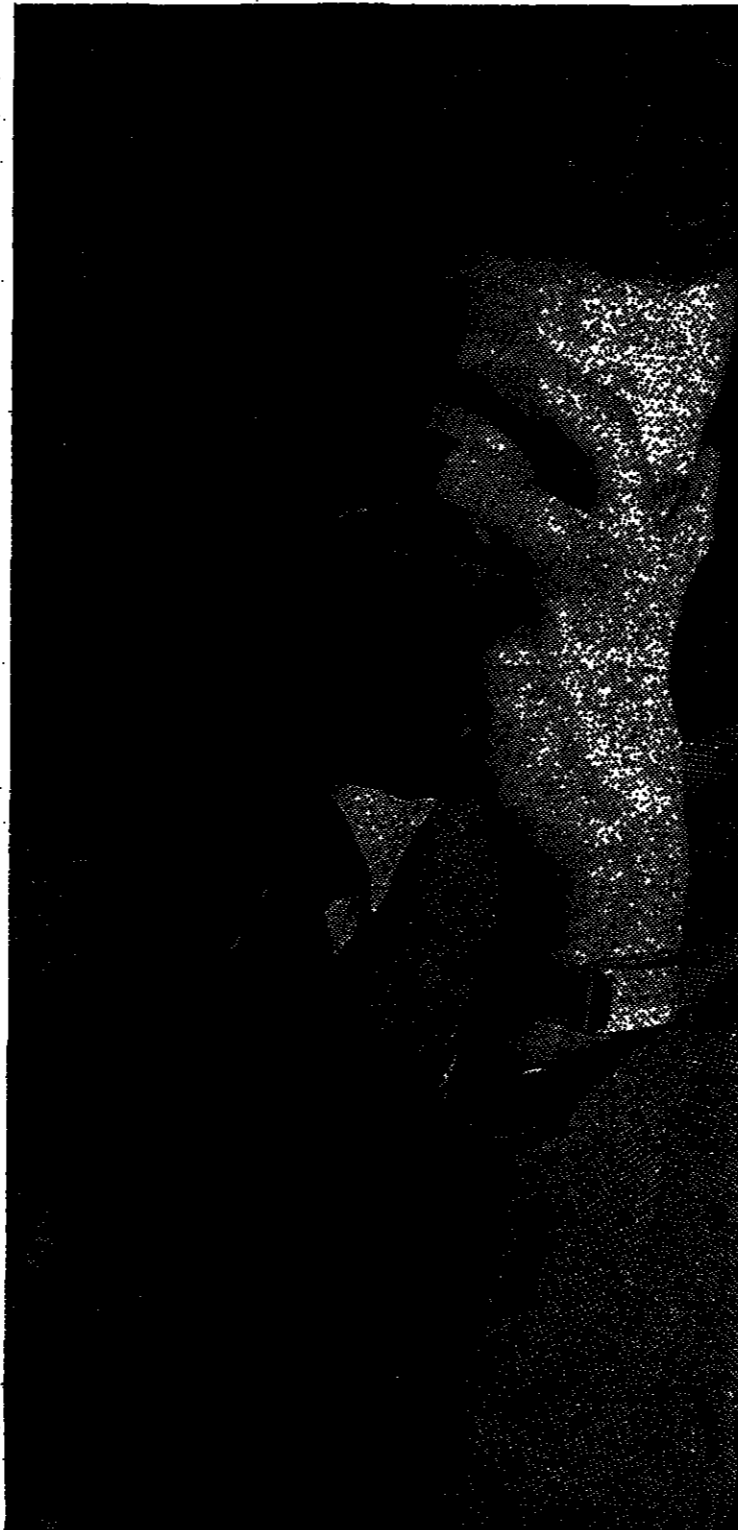
If I was with a crowd of colleagues, and the drink had done its work, we'd end up egging each other on.

Someone would say half-jokingly, 'Let's have a look at the red-light district,' so we'd all lurch off down there.

Many of the people I was with, of course, would never dream of behaving like that at home.

At other times I'd be visiting client companies and I'd go out in the evening with them and their wives.

Often, a companion would be provided for



me at dinner. Sometimes she'd be a secretary or P.A. with the firm, sometimes not.

Most of this, of course, was before the age of AIDS. I never wore a condom, because at that time people just didn't.

In any case, the biggest danger casual sex seemed to hold then was a dose of clap (which I never got).

If I could have that time of my life all over again, I'd think at least twice before having casual sex.

And if I ever did get tempted, I'd always use a condom.

If anyone thinks they'll find this difficult, they should keep reading.

CONSEQUENCES.

In 1980 I was very ill for six weeks.

After that, there was no more trouble until several years later.

I became ill again. I wasn't getting any better and nobody knew what was wrong.

I was living abroad at the time, and I went back to London for a blood test.

When they told me I was HIV positive, I went absolutely numb. I don't know how I got home. I wasn't really conscious.

It was like being told I was going to die, and that knowledge almost destroyed me completely.

I locked myself away.

I rejected other people, I could never have coped with them rejecting me, so I simply made their minds up for them.

I haven't told my parents because of the hurt that it will give them.

But from this time, there is one moment that haunts me above all others.

I was walking past a café one evening and at a table by a window I saw a boy and a girl of about 17 kissing and cuddling.

I burst into tears at the horror and misery of seeing what I felt I'd lost forever.

When it comes down to it, it isn't difficult to die.

What's difficult is living with a death sentence over you and knowing that you've lost so many things that make life worth living.

So, before you put yourself at risk of being infected, ask yourself one thing. Are you strong enough to cope with what I've been through?"

AVOIDING AIDS.

Eventually, with help, Robert learned to build a new life and start living again. He has not yet developed the full disease.

But since he became infected, the risk of AIDS has substantially increased, both in this country and abroad.

Unprotected sex with just one person with the virus can be enough to infect you, and you can't tell who has it by looking at them.

(Even if you ask them, they might not even know themselves.)

And the more partners you have, the more chance you'll come into contact with someone who has it.

If you have sex with a new partner, make sure it's your brain (and nothing else) that does the thinking.

Always use a condom.

Your life could depend on it.



AIDS. YOU KNOW THE RISKS. THE DECISION IS YOURS.

**FRAMATOME'S INTELLIGENCE MEANS THAT IT WINS
WHEN VICTORY IS NOT FOREGONE CONCLUSION.**

法马通公
法中友谊

司为建立
作出贡献



When Framatome attacks the Japanese market by selling "Systus" a structure calculation software package, it proves its intelligence.

When Framatome establishes itself in Taiwan through the superiority of its agribusiness equipment, it proves its competitiveness.

When Framatome builds two nuclear plants in China and when Framatome designs and constructs the new nuclear plant which will supply power for the next Olympic Games in Seoul, it not only proves its intelligence but also its marked preference for high level competition.

So, in your opinion, in the great race for the future, who deserves the gold medal?

FRAMATOME

THE FUTURE IN MIND.

FINANCIAL TIMES SURVEY



The south-east Wales town of Newport has thrown off the gloom created by its big steel redundancies in the early 1980s and is now in optimistic mood, boosted by the impending arrival of TSB and the Patent Office, and the proposed construction of a second Severn crossing. This survey was written by Anthony Moreton

A buzz of confidence

"IN THE LAST 18 months this town has really started to buzz. The economic improvement you can see around the country is being reflected here in Newport, too. There is an air of confidence that is surprising in its strength."

The speaker is Mr Andrew Kilsby, senior partner of the Touche Ross office in the south Wales town. Mr Kilsby is in a good position to monitor change: he arrived four and a half years ago from Bristol and has lived with the transformation.

"I came from Bristol, where things were really happening. New financial and service industries were coming in and the spin-off was dramatic. Bristol, when I left, was everything that Newport was not. Now, the new firms are beginning to move past Bristol and settle in Newport."

Another accountant, Mr Richard Parkinson, of Peat Marwick Mitchell, agrees. "A few years ago people came here for the regional grants. Now they are coming because it is a good place to be. Good communications, good labour."

Newport, he believes, has stopped looking over its shoulder at Big Brother Cardiff, twelve miles down the road, and is learning to develop its own resources.

The recession hit Newport before the rest of the UK, according to Mr Brian Adeock, Newport Borough Council's Director of Development. "Between 1976 and 1981 the numbers in employment fell by about 18 per cent at a time when the average decline for the UK was only 4 per cent. There was a substantial decline in employment opportunities."

Most independent observers agree that the watershed, the change from being an introspective town to one happy and anxious to develop outwardly, was about twelve to eighteen months ago although its antecedents can be traced back to the big steel redundancies of the early 1980s. The new mood has been given an important boost more recently by two announcements: the decision, just before Christmas, by TSB to move its trust company operations handling general insurance to the town; and the switch by the Patent Office from London.

These two are important not just for the jobs they will bring immediately but also for what they hold for the future. The TSB chose Newport in preference to Bristol and Solihull after it had looked at 30 locations in all. That sort of top level decision has important knock-on effects on

others looking to relocate. The employment consequences are not unimportant, of course. TSB expects to employ 400 people in Newport by the end of next year but in the longer term that figure could rise to 2,000.

The Patent Office move brings the prospect of a further 600 jobs, giving service industries in the words of Mr Peter Walker, the Welsh Secretary, "a wonderful lead to relocate in this part of Wales."

The attractions of south east Wales for the financial services industry are about to be highlighted by the Welsh Development Agency which will put Newport even more in the centre of the spotlight since the town is the gateway to this sub-region.

The other important consequence of the moves by TSB and the Patent Office is that their arrival will make a major contribution towards the diversification of the economy. Newport has always been an industrial town, with a strong emphasis on steel, general engineering and other metal-bashing industries. Even today, it has about a third of its work force in these activities, a higher proportion than the national average.

That industrial base has, though, been changing significantly. The new arrivals have been at the higher technology end of business.

The main prop to the economy remains the giant British Steel Corporation's Llanwern works, one of the five vertically integrated works in the UK, employing 4,100 people. Together with other BSC works in the town the corporation provides work for over 5,000 people, most of them men.

There are too other major traditional names such as British Alcan, Black Clawson, Glywedd, Monsanto and STC.

But over the past decade a number of concerns have arrived to take advantage of the town's position - on the M4 motorway, equidistant from the industrial West Midlands and West London; under two hours from Heathrow - bringing with them the different skills of the late twentieth century.

AB Electronics, one of the largest native Welsh concerns

employs 700 at its surface mount technology facility for the assembly of printed circuit boards and finished products. Last year the company also opened a technology centre in the town.

Imnos arrived in the early 1980s, along with Mitel, at nearby Caldicot. The Welshman who started Mitel in Canada, Mr Terry Matthews, is presently building a new company, Newbridge Engineering, just to the north of Newport. National Panasonic makes consumer electronics, Plessey makes gear systems and, also outside the town, another Japanese company, Alwa, is in the process of expanding its consumer electronics facility.

Smaller companies like Pulse Electronics, a £200,000 buyout, and Co-Channel Electronics, which makes mobile communications equipment such as car phones, illustrate that the small fish have also helped to develop the economy away from metal bashing.

The catalyst for much of this change, according to Peat Marwick's Mr Parkinson, was the enormous rationalisation programme at British Steel in the early 1980s. "The town had become rather complacent and that event pulled it up with a shock, which did nothing but good."

After the redundancies at Llanwern the steel works came back to break production records, a signal that the town could not only survive serious surgery but also exist healthily.

The upswing was helped by the Government and the Welsh Development Agency stepping in with a massive advance factory building programme between 1980 and 1984. Eight years ago, according to Mr Mike Shulman, the agency's local manager, "the WDA had just 21 tenants in the town. Now we have about 150, a very big step forward."

Outside industry, more recent moves have seen finishing

touches being put to plans to transform the river frontage, provide new access roads from the motorway, and redevelop the town centre through a £70m scheme that will provide, in Debenhams, the first major departmental store.

Within this undoubted success story, there are, however, seeds of both conflict and trouble. The Chamber of Trade is adamantly opposed to the town centre redevelopment being undertaken by the Burton Property Trust because of what it sees as Burton's insistence that there should be 48 shops in the scheme.

Mr M H H Cordy, of the Chamber, says there is "no justification" for such an increase in the shopping area, amounting to 45 per cent of the town's existing total, and that demolishing "a thriving shopping area to make way for the development will lead to the loss of over 30 businesses."

There is, too, a danger that Newport's ability to continue to attract new service industries will be hampered by its shortage of good executive housing. Too many old houses populate its streets. Plans for at least another 500 have been sanctioned, Mr Adeock says, but Newport has reacted slowly to the need to

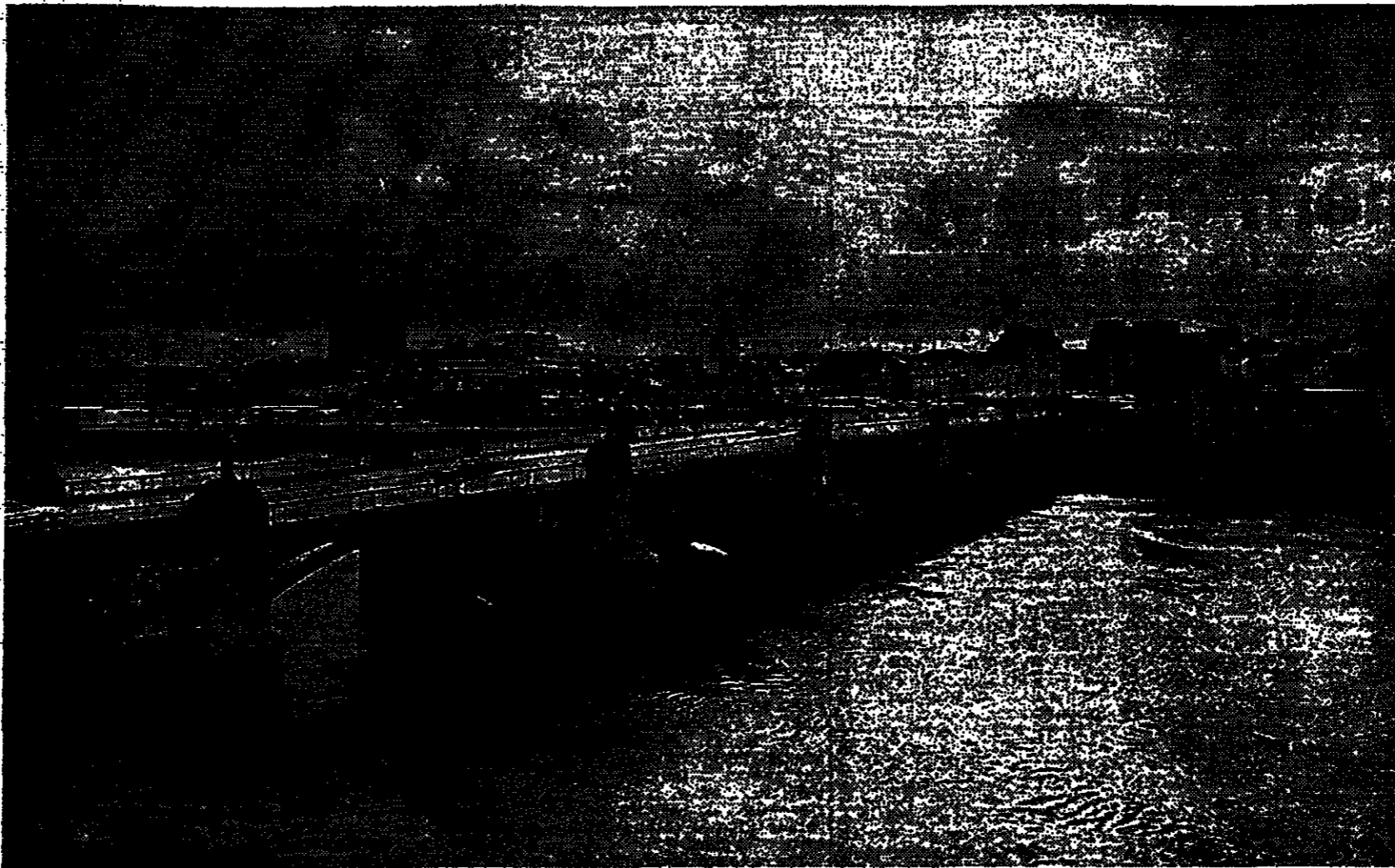
encourage the private developer. The arrival of new workers associated with incoming companies also threatens to force up prices. There is already evidence of considerable outside interest in Newport's relatively low-cost housing. One BSC executive put his house on the market earlier this year and three of the first four inquiries he received were from people wanting to move out of Bristol.

The town could also find itself faced with a shortage of the sort of skills the new companies need according to Mr Ray Furnell, director of the Gwent Employer Network. "With the numbers coming onto the labour market dropping as school rolls decline, this could be a nasty problem."

Miss Lynne Bickerton, Manpower's local manager, is more sanguine. She agrees there is some difficulty in finding people with the right skills to meet all needs but claims there are adequate facilities for training to satisfy most employers. She is introducing a course, for instance, to help temporary telephone operators to cross-train among any of the seven most popular makes of PABX boards.

Two major initiatives could mitigate these worries. A second Severn Bridge, which is looking increasingly likely, would transform the economy, since dual carriageway bridge, opened in 1966, is now insufficient for present needs.

And a barrage across the Severn Estuary between Cardiff and Weston would bring even greater benefits. The barrage is no more than a distant possibility at the moment. But, as Touche Ross's Mr Kilsby says, "most things are a possibility in Newport now."



NEWPORT

CONTENTS

The economy: southern outpost of the industrial north
Town centre redevelopment: a £70m. shopping scheme from Burton Property Trust
Usk barrage: covering a river's inglorious mudflats 4

Steel: BSC Llanwern faces the future with confidence
Aluminium rolling: Alcan consolidates its place in Europe 3

Port: docks begin to pick themselves off the floor industrial and commercial property: a high level of interest 4

Gwent Employer network: ensuring the right skills
Transporter Bridge: a Victorian monument
Profile: Plessey Naval Systems 5

Pictures by Alan Harper

A promise of a brighter tomorrow, as early evening storm clouds begin to disperse over Newport's Usk bridge

A new source of energy

New skills, new talents, new technology.

Flexible, more versatile. Ready to accept a challenge, ready for you in Newport.

Building on a solid foundation of traditional skills, our workforce has more than kept up with the times. Skilled in all disciplines, from high tech to high finance, we've proved our adaptability, successfully encompassing new areas of technology. Retaining experience, moving ahead.

Initiatives in the provision of training for Information Technology, through schools, colleges and specialist centres, means we're more than capable of meeting

the needs of any sunrise industry.

Quite simply, if electronic and computer skills are what's called for, you'll find nowhere better than Newport.

We're better for business too. With over 61% of the workforce employed in the Service Industries, we've a wealth of business ability for you to draw on, from banking and finance, to insurance and administration.

Meeting every need, matching every requirement.

In a new, and better way.

So be next for Newport, you'll find we've all you're looking for and more.

Newport

Newport Borough Council, Economic Development Department, Civic Centre, Newport, Gwent, NP9 4UR. Tel 0633 246906

NEWPORT 2

The local economy
Southern outpost

NEWPORT HAS always been a substantial centre of manufacturing industry and, to this day, it has kept that part of its economic base.
The strength of the town was originally built on its port, exporting coal mined in the valleys to the north, steel and engineering, and minor metal-hatching businesses. And, while the nature of these industries has altered with the times, there remains a substantial core of heavy industry.
The most obvious traditional industry presence is the giant Llanwern steelworks, on the eastern outskirts of the town which has a capacity (though not at the moment an output) of 5m tonnes a year. Llanwern is one of the five major integrated works in the country and can stand comparison with those on the Continent. Any town which has over 4,000 workers in one plant is home to very big industry indeed.
Basic steelmaking is not the end of the Newport steel story. In and around the town there are tinplate, electrical steels, other steel specialities and stockholding concerns. The new dual-carriageway north to Risca skirts a plant belonging to Glynwed Foundries, a concern more closely associated with the industrial Midlands.
In many respects, Newport is a southern outpost of the industrial north, arguably the only major

centre south of a line drawn under Coventry-Birmingham. It bears more resemblance to northern towns such as Blackburn, Gateshead and St Helens in the type of industry it accommodates.
That industrial base is, however, changing. New industries full of white-collar workers, many of them with degrees, even higher degrees, are making their way into the Uskside town.
Communications have played an important part in this change. The M4 skirts the town and an M5 link makes it convenient for reaching both the south-west of England and the heart of the Midlands. It is little more than two hours' drive to Heathrow and, traffic willing, half an hour more into the City of London; a frequent express train service links Newport to Paddington in around 90 minutes.
In short, Newport is not out on a limb, but rather an extension of the Thames Valley high-tech belt and it has begun to attract a number of the late 20th century industries which have congregated along the M4 corridor.
Immos was among the early arrivals, as was Mital. Mr Terry Matthews, the Welshman who founded Mital in Canada, and set up its European plant at Cardiff, near Newport, has now moved on to set up Newbridge Engineering to the north of the town.
One of the largest Wales-based

companies, AB Electronic Products group, last year opened the Henry J Kroch Technology Centre in the town. Named after the founder of the group, the new facility is being geared to act as a focus for liaison and co-operation between industry and academic life.
Not a native, but still a major subsidiary, Lucas has had a presence in the area for some 40 years. The plant is a major world leader in the field of brake technology for the motor industry and, although it is just outside the town, the size of its workforce, 2,000 at Cwmbran and 1,400 at Pontypool, gives some idea of its importance. Another company to have celebrated a 40th anniversary is Black Clawson International, an American concern whose Newport offshoot is a major supplier worldwide to the paper and board industries.
As in other towns, service employment has come to be increasingly important. Newport has long been home to the Business Statistics Office, an early example of the Government's dispersal of civil service departments. But the interesting thing about Newport is that it has more or less held its share in the manufacturing sector. About one person in three is employed in manufacturing and, while this has dropped over the past decade, the fall has not been significant.

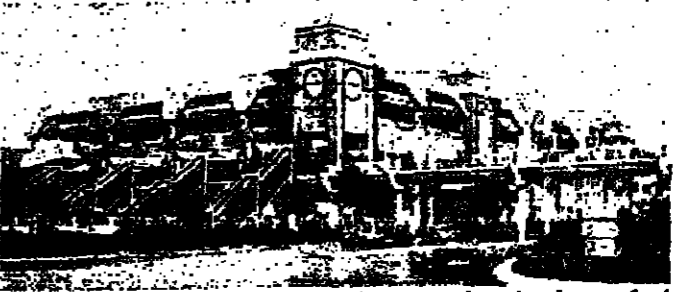
Usk Barrage
Inglorious mud flats

AT THE heart of the regeneration of Newport is the proposal for a barrage. The Usk is a fine river, one of the best for trout in the UK and it passes through some of the loveliest countryside in Britain.
But at the point where it meets the Severn estuary upriver beyond the town, it is anything but lovely. The remains of past industrialisation litter its banks and, as the river cuts its way through the soft soil, it weaves a drunken passage through the town.
The Severn has one of the greatest tidal rises and falls of any estuary in the world, with the result that at low tide the river Usk exposes its banks rather like an orang-outang exposes its gums.
The proposal for the barrage, one of many that are under discussion around the Welsh coast, emerged from discussions on the town's southern link road. At some point this planned road, sweeping from the M4 in the east down towards the coast and then flattening out rather like the bottom of a pudding basin before rising again to meet the motorway, has to cross the Usk.
The original idea was for a bridge but eventually the concept of the road and bridge being integrated into a barrage to raise the water level in the river, cover the mudflats exposed at low tide and create a more attractive waterfront environment, came to the fore.
Now, the barrage, which is likely to cost between £35m and £40m, is seen as integral to the development of the town, allowing for the rebuilding of some of its most run-down parts.
At the same time as a debate on the practicalities of what to do about the road was being generated within the town, there was a parallel discussion of what to do about its image. Newport, to the outsider, was seen in much the same light as the rest of South Wales; a place of highly concentrated industry, especially coal and steel; a sort of northern town to the west of Watford.
On one level, the barrage was

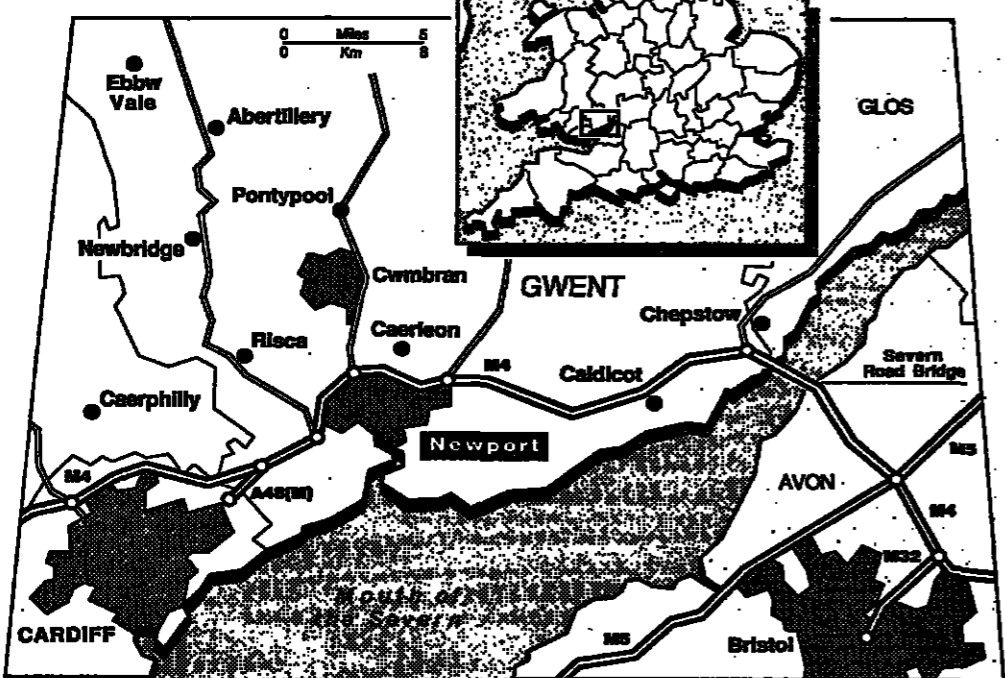
seen as a redefinition of this image. Wales is not like the industrial north, but it was admitted that so long as the gateways to the Principality remained "sub-standard" then potential investors would be scared away. The barrage will allow one of the areas of dereliction to be born again.
Newport has already attracted a considerable number of high-tech concerns: Immos, National Panasonic, Mital, AB Electronics and Flessey among them, more recently it has been the focus for incoming white-collar service jobs, led originally by the Government's Business Statistics Office and more recently by TSB and the Patents Office.
The barrage development would further the town's aim of fostering a tourist trade, not such a misnomer as might appear since at Caerleon nearby it is to be found one of the largest and most undervalued (by outsiders) Roman remains in Britain, far bigger and more important than the more famous remains in York.
It is hoped that tide-free water-side of the river Usk will attract developers to provide upmarket housing. But equally, industry will not be neglected, since it is considered essential to have a mixed development on the site.
Housing is absolutely crucial. Newport does not have a large stock of new houses of a standard acceptable to the executives it wants to attract. Some executive homes have been built recently and there are plans for more, but if the town is to take off, good houses by the side of the water are essential. The ability to attract more service jobs could hinge on the barrage development not only for what it is but also for the prospect that it offers.
There are major problems to be tackled before the barrage can succeed. Companies using four working wharves will have to be accommodated elsewhere; the 12 raw foul sewage outfalls into the Usk will have to be picked up by new sewers and taken to a treatment works. However, the problems are not insurmountable.

Town centre redevelopment
£70m shops scheme

Alongside the economic developments that are helping give Newport a new sense of identity, the town is also to get a new shopping centre.
The development scheme is, moreover, the sort of initiative now much beloved by our political leaders, a partnership between public and private enterprise with the possibility of an urban development grant helping the scheme along.
The £70m scheme is being undertaken by the Burton Property Trust, the development arm of the Burton group best known for its high street shops, in conjunction with architects Seymour Harris Partnership of Bristol. Newport provides the land; the company develops the town gets 1,000 jobs, most of them new ones; Burton provides a Debenhams department store; the town gets a redeveloped and upgraded bus station and a larger car park.
The proposed scheme, on which it is hoped to start work early in 1989 and complete 2 to 3 years later, originated with the local authority's consideration of ways of improving its bus station, by then beginning to show the frayed edges that afflict so much of 1950s architecture.
The station lies between the heart of the town and the river and, while its site is convenient, it lacks all atmosphere and visual aesthetics. Newport approached a number of developers and eventually accepted a plan put up by Burton. Burton Property Trust undertakes both development and refurbishment of group properties and looks for towns in which it might build a Debenhams store, the chain it acquired a few years ago after a bitterly contested bid battle. This acquisition allowed the trust to become engaged in town centre developments as well as store building and refurbishment.
BPT had already identified Newport as one such potential site when it was invited to submit a scheme. Since the takeover, Burton has been spending a lot of time giving the Debenhams stores a more modern image. The way forward can be seen from the refurbishing of its Oxford St flagship in London, with a large, and now ultra-fashionable, atrium. The new format can be seen also in Colchester and Preston.
Newport is far smaller. Miss



Janet Neal, who is in charge of the Newport scheme, says that we really need to be able to create a selling area of between 250,000 sq ft and 300,000 sq ft to take on a project. This is what we call the "critical mass".
Newport just comes within this parameter. The two storey building that will emerge will have about 270,000 sq ft and will be designed to complement the surroundings.
Similar, though slightly larger, developments being undertaken by the group include the refurbishment of the Plymouth store as part of the rebuilding of the centre of the city, and others at Coventry and Exeter.
Our starting point, says Miss Neal, has been to build in such a way that other buildings in the centre of the town are not disrupted. There is some superb Edwardian architecture if you stand back and look along Commercial Street, the main shopping street, and we wanted to marry in with that.
Commercial Street is already home to Marks and Spencer, Lillieswoods, British Home Stores, the leading building societies and other major retail groups. It has been pedestrianised and is the focal point for shoppers.
Behind it, the local authority has developed a new shopping precinct in John Frost Square, but this is a less happy location and it is hoped that the new development will uplift this part of the town, too.
Debenhams will complement this because, with the exception of a small Owen Owen and a smaller Wildings, a local concern, there is no real department store.
When completed, the Debenhams development will contain many of the now universally-accepted concepts about shopping. It will have split-level entry, facilitated by the fact that the land in Newport falls away from the town centre towards the riverside.
There will also be a doubled car park over which Burton will keep control. "We always keep tight control over car parking," Miss Neal says, "because it is integral to the success of our stores. We need to ensure that the park links closely with the store. Families want to come into town and park as near to their shopping needs as possible. If they can't do this they might go elsewhere."
There will be spaces in the development for 500 cars, not as large as to be found in out of town sites built by the likes of Asda, Sainsbury or Tesco but still good by town centre standards.
There will also be other shops, too. The plans provide for at least 40, in addition to the Debenhams.
The development will do much to enhance Newport, not least by giving it a greater sense of identity. While Newport has been a focus for shoppers from the Gwent valleys, it has long had to compete with Cwmbran, the one time new town, which has had its own comprehensive shopping centre plus free parking. Cwmbran itself is currently undergoing a major refurbishment which will, enhance its attraction.
Newport has also suffered from its proximity to Cardiff and nearness to Bristol.
Faced with these attractions, Newport has inevitably developed something of an inferiority complex. The grass often appears to be greener elsewhere. The importance of the Burton development is that it offers the town the opportunity to develop a pride in its own shopping centre and complement the economic changes which are working to Newport's advantage.



TEMPORARIES FOR THE OFFICE



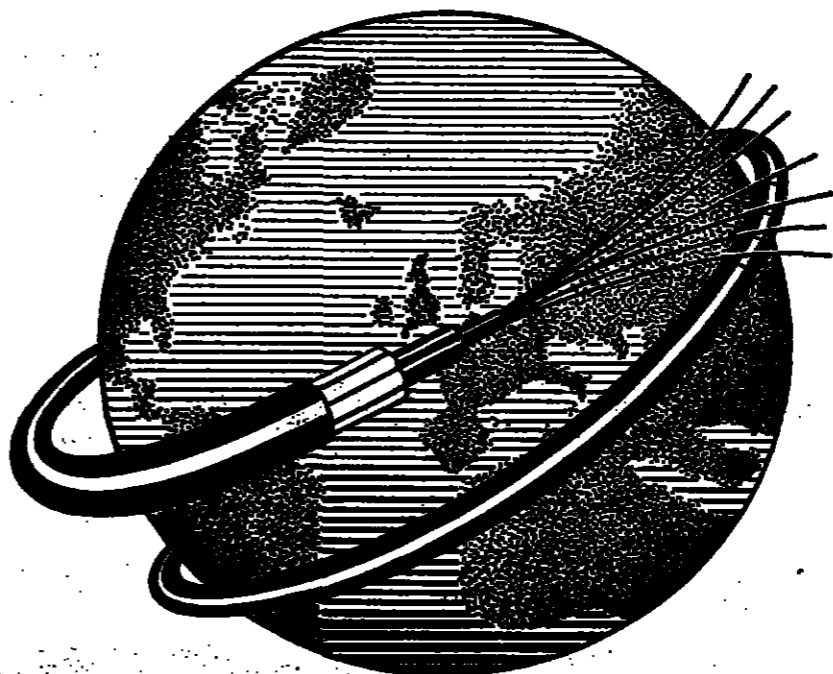
THERE'S ONLY ONE CHOICE

With office temporaries, it used to be that you had to choose. Did you want someone fast, or did you want someone good? Manpower believes that's one freedom of choice you can well do without.
We'll give you a rapid response, and we'll send you productive people. People who are trained in the latest office automation techniques.

MANPOWER
TEMPORARY STAFF SPECIALISTS

TELEPHONE:
BRIDGEND 57231 • CARDIFF 394721
NEWPORT 841721 • SWANSEA 461422

Getting the message across -



from Newport

STC Telecommunications is a specialist communications company - the UK's leading manufacturer of optical cable and a major manufacturer of copper communications cable supplying home and world markets.
The company is a dedicated organisation concentrating on providing solutions to telecommunications problems whether it's cable or the planning, manufacture, supply and installation of a complete managed network.
STC Telecommunications has the ability to meet your specific needs.



STC TELECOMMUNICATIONS
CABLE DIVISION
WEDNESBURY STREET
NEWPORT
GWENT NP23 0WS
TEL: 0633 24244
TELEX: 496368

In a word - Results

Results. What advertising is all about. Achieved for Newport Borough Council by Austin Knight, Bristol.
What can we do for you?
•Advertising •Brochures •Corporate Identity •TV and Radio •Exhibitions
Austin Knight Advertising UK Limited, Kings House, Bond Street, Bristol BS1 3AE.
Telephone: (0272) 221781.



John, in LITs

NEWPORT 3

BSC's Llanwrern steel plant is now internationally-competitive and...

Facing a privatised future with confidence

EVERY DAY lorry-loads of body pressings leave the Llanwrern steelworks plant for the short drive to British Leyland's freight assembly yard outside Cardiff before beginning their journey to Ford's motor plant at Dagenham or Austin Rover's Longbridge works in Birmingham. Several times a week complete trainloads of the body panels make their way out of Wales to the motor plants.

At the same time, Llanwrern is sending coils of steel north to the British Steel Corporation's Shepton plant in north Wales for coating, a rising and profitable business.

Llanwrern is the largest employer in Newport and, as such, crucial to the economy of the area. It employs 4,100 people and with the associated Orb works, turning out electrical steels, which has a workforce of 820, and Whiteheads, whose 850 men make narrow strip, BSC accounts for 5,000 people.

Once - not so long ago - it was a hot more. When both Llanwrern and the European economy were producing fit to bust, it employed 9,200 at its peak. But those days have gone, undermined by the recession, EC-imposed quotas and more efficient

work practices. Steel, says Mr Peter Allen, managing director of BSC Strip Mill Products, is now a highly competitive, highly international business. Llanwrern, one of the five main integrated plants in the UK (alongside Fort Falbot, Scunthorpe, Ravenscraig and Tees-side) has played its part in helping BSC become one of the most efficient producers in Europe.

"We have put an enormous amount of investment into Llanwrern since 1980," says Mr Allen. "A decade ago it took eight hours to produce a tonne of steel. Today that figure has been reduced to 2.5 hours. The aim has been to create the market conditions in which Llanwrern can compete with anything else in Europe. The Fort East is another matter, Mr Allen admits. Llanwrern's 5m tonne a year capacity may be large by European standards but it is small by comparison with the new giant works - Llanwrern is a product of the late 1960s - introduced by the Japanese and South Koreans. "Even so," he says, "we have brought manning levels to the point where, allied to the new investment, we are now internationally competitive. That investment has also made the plant

more responsive to market needs. Investment, productivity and marketing are the three cornerstones of what we have done here."

Llanwrern is, of course, not producing at capacity. Its actual tonnage is about 2m tonnes a year, and fears have been expressed that, with Ravenscraig producing about the same, there is little need for both. Mr Allen will not be pressed on this subject and in front of privatisation, which is now drawing closer by the day, it is most unlikely that any difficult political decision will be taken. But once the state-owned corporation is turned into a private company the management would be free to make decisions based solely on considerations of profitability. Llanwrern has a lot going for it if it came to a crunch between itself and Ravenscraig. Although it could not absorb all of the Scottish plant's output it could share the load with Fort Falbot, which is also operating at about two-thirds capacity, and in any case has vital downstream processing activities not now available in Ravenscraig.

Llanwrern is helped in Newport by the amount of investment going into the plant. A multi-million pound continuous casting line is being put in for the first time, and should be on stream this summer, bringing the works into line with BSC's other four integrated plants. This will allow for the production of cleaner steel - cleaner of impurities, that is. This summer, too, a £10m gas recovery project is being undertaken, which will help energy conservation. No longer will the full stack flare the waste gases;

instead, the heat will be rechannelled back into the works. Another investment will be the introduction of a vacuum degasser to work in parallel with the continuous caster. This should be commissioned about the middle of next year. All these investments help BSC to get the extra added value out of products which allows profits to rise and further job-securing investment to be undertaken. One example of the way in which this works concerns the motor industry. For years the motor manufacturers bought uncoated sheet and coated it themselves. Now they want coated sheet for the bodywork and underfloor parts. BSC will increasingly supply coated products, a move that Mr Allen describes as a very big change. While Llanwrern dominates the economy, both the Orb works and Whiteheads are significant players. At the Orb works sheets of steel are produced with the highly precise magnetic qualities used for electric motors and transformers. All the electrical steel made in the UK comes out of the Orb works. Nearby, Whiteheads produces the narrow strip that is needed

for end uses such as the bicycle industry, electrical components and office equipment. It also specialises in items such as security fencing, road safety barriers and kettles for the building industry.

If the immediate hinterland of Newport is taken into account BSC is economically even more important. At Ebbw Vale it employs some 2,000 in the triplating works and at Panteg the speciality is stainless steel. A multi-million pound project to install the first horizontal billet caster in the UK is under way. It should be ready for commissioning later this year. There are also stockholding facilities at both Ebbw and Cardiff, not more than 10 miles away, so that BSC almost certainly has an influence over at least 10,000 jobs in the wider area. The corporation is by far the largest employer in the area. When the TSB decided to relocate its trust services operation to the town, civic leaders were delighted. But the most optimistic estimates of its employment potential postulate a workforce of some 2,000 by the 1990s. British Steel is providing work, directly or indirectly, for four times that number now. That is a measure of its importance.

Mr Peter Allen, managing director of BSC Strip Mill Products.

Aluminium rolling

Alcan consolidates

NEXT MONTH British Alcan Sheet brings into operation the fruit of a £18m investment at its plant in Rogerstone that is intended to consolidate its place as one of the leading producers in Europe.

The works, part of the giant Canadian concern Alcan Aluminium, is already one of the most efficient in Europe, having the knee only to its sister company in Düsseldorf and Fecchiy in France. The present investment, which is intended to allow the production of bigger coils, will enable it to leapfrog the French.

There is still some way to go before production levels match those in Germany. But Mr Dale Thomas, the plant's director of operations, points out that Düsseldorf was a greenfield site not so long ago compared with Rogerstone, which in 1990 comes up for its half-century.

Increased production and higher productivity are, as he readily admits, directly related to capital investment and he has schemes to put to the board that would narrow the gap with Germany significantly.

That is for the future. "What we have done here in Newport," he says, "is to consolidate our place in the town. I see this investment as securing the jobs of the 1,200 people here into the next century."

That is important, not just for the company's workforce, but for the whole network of companies that trade with Alcan.

The investment is also about the transformation of the company from an important player in the local economy into something much larger, a European company rather than just a British one.

Alcan is best-known to the wider public as the producer of Baco, the foil wrapping that covers anything from the Sunday joint to tomorrow's lunchtime sandwiches. All the Baco foil sold in Britain comes out of the Rogerstone plant on the northern edge of Newport.

There is much more than that, of course. Rogerstone produces lithographic sheet for printing, secure bottles for the defence industry, paint stock, and sheet products for industry, heat

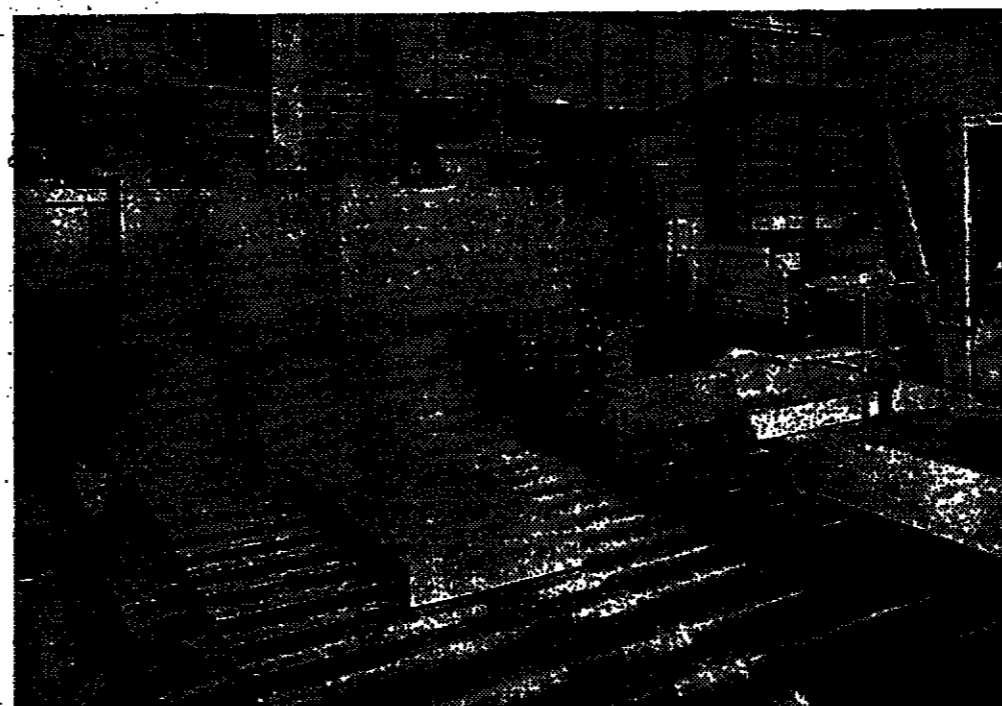
exchange material, mainly for the motor industry, and aircraft sheet, the outer skin for seaplanes.

Some of London's buses and most of the Tube trains are made of aluminium, so is the outer skin for Liverpool's modern Festival building. Deckchair frames and cotn blankets are made from the product.

This is a £140m-a-year business. The market is growing and Alcan is winning a bigger share of it, Mr Thomas sees for ever in the region of £18m this year. Not all that comes from Rogerstone since there is an associated plant at Falkirk but his works contributes the major share of the total.

Rogerstone produces all the hot-rolled product and supplies some of the end-product to the cold-rolled line at Falkirk. It also produces cold-rolled itself.

The first steps have already been taken to integrate Newport into company plans within West Germany and Italy so that by 1992, when the EC hopes to introduce a single market, Alcan will be perfectly positioned to take full advantage of it.



Hot rolling of aluminium at British Alcan Sheet's Rogerstone works

More important, than just consolidating the company into a fully-international concern.

Recently, as a head office decision, one North American plant supplying Ford in Detroit was closed and its business transferred to Rogerstone.

The result is that Rogerstone now has a £2m-a-year business - a figure that is rising - supplying brass coils to the American car giant. Ford takes this product for use in radiators but it also has wider applications in industrial heat exchangers, oil coolers, brazed assemblies and air-conditioning units.

It is full, though, which is the bulk of the business. Every night two trains roll into Cardiff with aluminium ingots from British Alcan's smelters at Lynemouth in Northumberland or Fort William and Kinlochleven in Scotland. The ingots are transhipped by road into the works, a dozen miles from the railhead, and emerge as hot or cold-rolled before going on for processing.

This is a round-the-clock operation, seven days a week. The way to improve productivity is to get bigger ingots going through the system to get bigger rolls. Ingots weighing almost eight tonnes are hot-rolled at Rogerstone down to a thickness of 3mm and cold-rolled sheet reduces that thickness to 0.45mm.

Mr Thomas would like to see 11-tonne ingots going through the system.

The Newport works is probably the biggest in manpower terms of all British Aluminium's plants in the UK. Given that the future lies in the introduction of increasingly more sophisticated capital equipment - state-of-the-art stuff, Mr Thomas calls it - the plant's numbers will probably not increase significantly.

"The point is that we are doing safeguards the future of those who are here. I would like to think we have a secure future here," he says.

FRIEND.

OR FOE?

More likely than not, the contact will first appear as an echo on a ship's sonar display.

And the ship's fate will depend on the performance and reliability of advanced electronics.

A job for Plessey, whose systems for detecting and countering threats at sea have been proven by more than forty navies.

Plessey solutions cover every electronic requirement - sonar, radar, command and control, communications, weapon control, electronic warfare.

One of the company's key manufacturing facilities is at Newport, Gwent, where its latest success is a £10 million sonar order for Royal Navy nuclear-powered hunter-killer submarines.

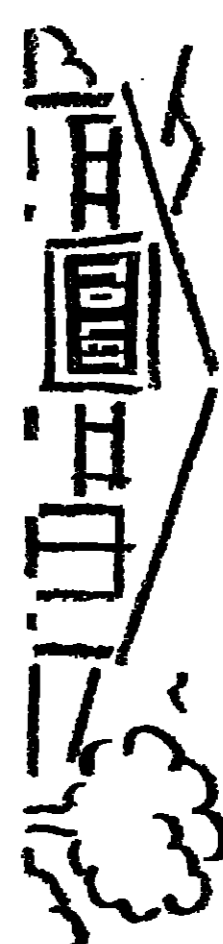
All in all, it pays to know who your friends are.

PLESSEY The height of high technology

PLESSEY and the Plessey symbol are trade marks of The Plessey Company plc.

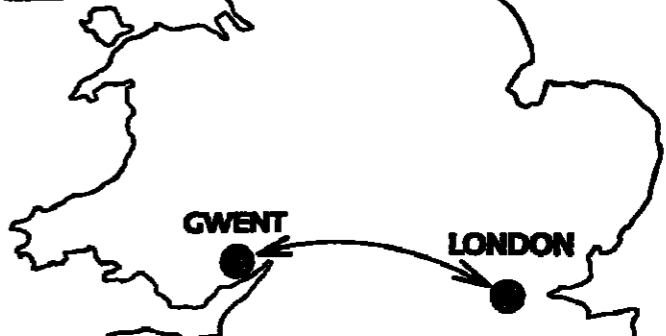
ROWEGORD STRUCTURAL AND MECHANICAL ENGINEERS. ROWEGORD ENGINEERING LIMITED. Head Office & No. 1 Works: Neptune Works, Mill Parade, Newport, Gwent, NP9 2SS. Tel: (0633) 50511/2, 55161. Telex: 498237. Fax: (0633) 50631.

An integral part of the Newport business scene. BSC industry. (0633) 244001



Make an immediate connection in Gwent.

If you require premises perfectly tailored to meet your needs, Gwent is where you'll find the right space, both large and small, together with the right people ready and waiting to make it possible. The M4 connects Gwent with the Business Centres of the UK. London is only two hours away, and by Inter City 125 Newport to London, Paddington is only 90 minutes. Everything else connected with running a successful business is right here in Gwent. Low overheads, competitive property prices, new premises with room to expand, generous financial assistance, a highly skilled workforce and a quality of life you'd be hard pressed to beat anywhere. Gwents professional Industrial Development Team are ready to provide a free and confidential consultancy service. Ring us on 0633 838867 or write to Gordon Probert, County Planning Officer, Gwent County Council, County Hall, Cwmbran, Gwent, NP44 2XF.



BETTER CONNECTED.

NEWPORT 4

After losing a great deal of its traditional trade

Port begins to pick itself off the floor

ONCE A week, a container vessel belonging to the Concord line moors alongside Newport's South Dock with its cargo from Bilbao in northern Spain.

In itself, the arrival of the vessel through the lock gates may seem to be no more than a symbol of the normal interchange of goods between two members of the European Community. But for Newport it signifies something much more important: it indicates the way the port has picked itself up off the floor and is fighting not just for increased trade but perhaps even for its very existence.

Newport took a pounding from the miners' year-long strike in 1984-85. The port was heavily dependent on the export of coal. It has always been primarily a bulk-handling port and half a century or more ago it was one of the leading coal-exporting ports in the world.

That trade has all but gone now. It had declined badly by the start of the 1960s, when it was probably handling around 250,000 tonnes a year. The miners' strike finished what had been left by the recession of 1979-82 and the port handled no more than 800 tonnes last year. Virtually no coal flows out from Newport, though there have been some trial inward shipments.

Even such steel trade as there was disappeared after the strike as BSC developed its own berth up the river Usk.

Despite these losses, and the difficulty of securing alternative users for a port which faces intense competition from Cardiff, Barry, Port Talbot and Swansea in South Wales, and Royal Portbury across the Severn in Bristol, Newport's docks management is not disheartened.

"If you sit back and take a defeatist attitude," says Mr Peter Stewart, the commercial manager, "then you deserve to be

defeated. I believe you can turn things to your advantage.

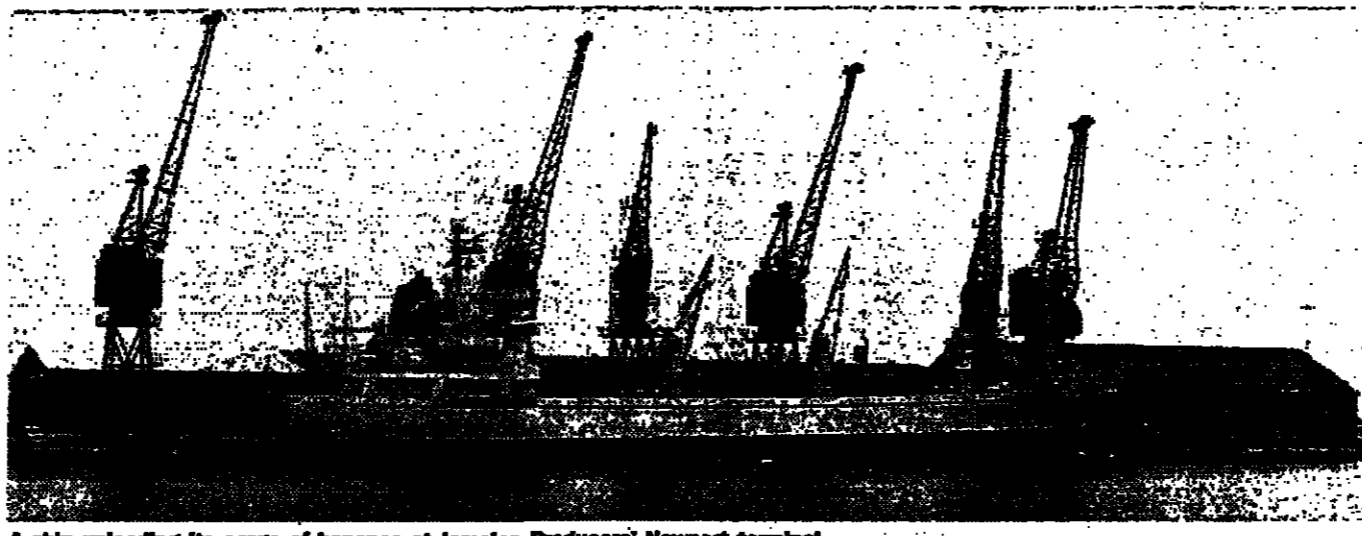
"I had 12 years in Plymouth before coming here and although that was a dock labour scheme port, with its problems, I managed to take trade from non-scheme ports. There is always a way round a problem and we are finding ways around them here."

Mr Stewart arrived in Newport just over two years ago, before the Concord deal was secured. He has had a lifetime in ports around the country with Associated British Ports, which now operates Newport, and its predecessors in the nationalised industry, out of which ABP was privatised.

Some of Newport's problems were self-inflicted. Its post-1945 life was based on shipping coal out, shipping iron ore for the Llanwern works in. Then British Steel was instrumental in having a specialised ore terminal built in the late 1960s at Port Talbot, next to the steelworks, and it was decided to ship all Llanwern's ore by rail from the western port. At a stroke, Newport's bulk inward trade vanished.

The docks, which cover as big an area as any in South Wales, now present a sorry sight. The nearby giant transporter bridge, one of only two in Britain, is closed. Without vessels the docks seem strangely desolate, even on a bright day.

The fightback is, however, showing encouraging results. In the early 1970s, Newport won the contract to handle Colt cars (a



A ship unloading its cargo of bananas at Jamaica Produce's Newport terminal

Mitsubishi product) from Japan. This is a variable trade, the numbers depending on quota, and is small by comparison with Bristol and Southampton. But it indicates management determination.

More recently, about nine years ago, Jamaica Produce's banana trade was lured to the port and now a vessel arrives every week to discharge its load into the temperature-controlled shed on the quayside.

Since then, Newport has won other fruit and vegetable trade, especially from Israel which looked at the port as a means of supplying the Midlands and so liked the result that it is now

supplying London.

"There is some trade in railway sleepers and telegraph poles from Australia, steel from Latin America, Egypt and Greece and scrap to Europe but the big success has been winning a considerable share of the trade in imported timber, especially from Canada.

JUST ON the western outskirts of Newport, at Tredegar Park, the point where the old road to Cardiff meets the motorway, the Welsh Development Agency has one of its five prestige sites in Wales.

Cleppa Park contains AB Electronics' research centre, National Panasonic and Whitech's manufacturing technology centre as well as the temporary home for the ISE Trust Company until its new offices are built across the road at Duffryn.

The point about Cleppa Park is that it was filled almost before the buildings were completed. This gives some indication of the level of investment interest in Newport that has been generated in the past year or two.

Mr Mike Shukman, the Welsh Development Agency's regional manager for Newport, is delighted with the success of this high-grade development. Eight years ago, he says, the agency had just 21 tenants in the town and those were companies which had been in their plants for years, such as Gossard, Andrew Russell and Alfa Leval.

"Now we have over 380 and there is great interest in the town. Not all that 380 is directly comparable to the original 21 because we inherited 150 when we took over the industrial portfolio of the Cymbran Development Corporation. But if you strip that out, we still have grown from 21 to 150, a very big step forward."

Much of the progress followed the crash programme of factory building undertaken by the WDA at the behest of the Welsh Office between 1980 and 1982, following the severe contraction of the steel industry. At Llanwern 5,000 jobs were lost in 1980 alone as steel came to terms with the recession and overcapacity throughout Europe.

A considerable proportion of the 4m sq ft of industrial space put up in Wales in those years was in the Newport area and there were fears, especially in the private sector, that such a large programme could have depressed rent levels.

Mr Shukman says that the reverse has happened and rents are now rising in the area. "Back in 1980 we were fortunate to get around £180 a sq ft. We were probably getting it on a larger unit around 3,000 sq ft but we were a bit under on the bigger ones around 25,000 sq ft."

"Now on a sophisticated development such as Cleppa Park we are getting between £350 and £400 for large units and around £80 for small ones."

Such rental levels have at last begun to attract investment by the private sector which used to argue that the agency had depressed rent levels and so kept them out. Mr Shukman argues that for years the agency was the only player in the market and its policy of nurturing the market has succeeded in raising rent rolls to the point where the private sector developer is now an active player.

Last year, for instance, a consortium of buyers bought the Maegias estate in the town from the agency and a local concern,

the Llanwern steelworks.

Mr Richard Hutchings, a partner, says that in addition, Grovespark has taken one industrial site and is to make freshhold sites available. The first of the developments on it is about to start.

One of the stumbling blocks in Newport is that geological conditions in parts of the area make building expensive. Construction in the town requires deep piling. Around Llanwern and the steelworks, ground conditions are such that building costs £3 a sq ft above normal. This tends to inhibit the private sector but, even so, land prices have been rising.

Industrial land is going for between £40,000 and £80,000 an acre, Mr Shukman says. And there has been 100 per cent growth in the last four to five years, which indicates rental growth of around 20 per cent a year.

This return does not include any give-aways. The only carrot the WDA offers now is a three-month fitting out period. Special rents for first tenants or any other goodies are now a thing of the past.

Even taking all this into consideration, prices are still cheap in Newport by comparison with some of the competition. Ten miles west, in Cardiff, top grade land is nearer £80,000 to £90,000 and will be in six figures before long.

Bristol, half an hour to the east across the Severn Bridge, is even more expensive, probably around £150,000 for prime sites. And in the Thames Valley the sky is almost the limit. Yet Newport Airport is under two hours' drive from Newport and it is considered that the cost savings on land far outweigh the inconvenience

of being that far further along the M4.

Following the announcement by Mr Peter Walker, Secretary of State for Wales, that the WDA's funding in 1988-89 is to be increased substantially, the factory programme for the year is to be accelerated. Another 200,000 sq ft will be put up, a figure which includes construction outside the town itself though in its immediate hinterland.

Mr Shukman argues that "you have to look at places like Pontypool, Abergavenny and Cwmbran as part of the whole. They may not be in Newport itself but this is a very close-built area, a tight-knit community. Everything pivots around Newport and as it is so easy to move around the whole area - nowhere is much over 25 minutes' drive away - they add up to a Greater Newport."

tion of its docklands with plans for housing, offices, leisure interests, marinas and industry.

Could Newport go the same way, developed with private capital? Mr Stewart will not be drawn on that. It is a matter concerning corporate policy, he says, and corporate spokesmen have to answer the question.

But he agrees there is potential in Newport, potential for lots of things. These docks could be used in a variety of ways, especially now that waterside developments are in vogue.

The biggest gain would come if a Severn Barrage were to be built across the estuary, between Cardiff and Weston. Such a scheme has been mooted and feasibility studies are being carried out for what would be a multi-billion pound undertaking.

A barrage would give Newport constant water and free it from dependence on the tide, which dictates some of the highest rises and falls in the world. Constant water would allow the long shoreline outside the two closed docks to be developed. It could breathe new life into the port at a time when Cardiff is moving in a different direction.

Mr Stewart is nothing if not an optimist.

Industrial and commercial property

A high level of interest



Mr Michael Shukman, WDA's regional manager for Newport outside the agency's successful Cleppa Park development



The world wouldn't come to a halt without us

Lucas Girling braking systems are designed and manufactured in South Wales and supplied to the major international vehicle manufacturers for car, truck, bus, tractor and railway applications throughout the world. The facilities in South Wales form an integral part of the worldwide operations of the Braking Systems Division of Lucas Automotive Ltd.

Modern manufacturing methods and technology, aimed at tomorrow's needs, maintain our premier position in vehicle braking.



BUILDING • INSULATION • TRANSPORT • AUTOMOTIVE • AEROSPACE • INDUSTRIAL • TELECOMMUNICATIONS • ELECTRICAL • FOOD

NOW WE'RE REALLY ROLLING

British Alcan Rolled Products employs over 2,000 people throughout the UK.

Supplying aluminium sheet and foil of the highest quality to meet the most specific and diverse of requirements.

And as for the future? Yet further investment and research. Ensuring we roll from strength to strength.

ALCAN. ALUMINIUM FOR AN AGE OF CHANGE

For further information on the breadth of British Alcan Rolled Products' capability across all market areas, please send for our brochures.

British Alcan Rolled Products, Rogerstone, Newport, Gwent NP1 9YA
Tel: 0633 892722
Telex: 497381
Fax: 0633 896089



ELECTRONICS • PRINTING • MEDICAL • PHARMACEUTICAL

TAYLOR BROS (Engineers) Ltd
Aldrey Street, Newport, Gwent NP23 5YD

DESIGN AND DEVELOPMENT
COMPLETE MANUFACTURE & INSTALLATION
FABRICATION & MACHINING
(20 ton presses)
MACHINING (hand and large)
SERIES & REPAIR WORK
FITTING & ASSEMBLY
SITE INSTALLATION & COMMISSIONING

WE OFFER: For over 30 years we have carried out the smallest to the largest work.

groups, power, steel, coal and the smallest industrial worksheds

SHEPPARD INGOT CASTING MACHINES LTD
(Wholly owned subsidiary)

World leaders in the casting and handling of Lead, Zinc, Aluminium and Iron Ingots

TELEPHONE: NEWPORT 921816
Telex: 497038 SHEPPDG

Fax: 364130

City Senior
WALES' PREMIER HOTEL
AA ★ ★ ★ RAC
Egon Ronay
Coldra Woods, Newport, Gwent, NP6 2YA
Telephone 0633 413000

Keeping what's yours yours
group 4
CONTACT
Group 4 Total Security Ltd,
Managers Industrial Estate,
Parkwest, Newport,
Gwent NP23 2TG
Tel: 0633 840638

THE COLDRA M4 JUNCTION 24 NEWPORT • GWENT

55 ACRES

Freehold and Zoned for
PRESTIGE EMPLOYMENT

Prime location at the Gateway to Commercial Wales

For particulars visit:

| | |
|---|---|
| EJ HALES CARDIFF 0222-378844 | SCOTTS NEWPORT 0633-50583 |
| JOSHUA BURY, EARLE & CO MANCHESTER 061-432 888 | BEVERLEY JONES & PARTNERS CHESTER 02912-3822 |

For valuations and advice on
COMMERCIAL PROPERTY
and development opportunities in NEWPORT

For the best in
RESIDENTIAL PROPERTY
in NEWPORT and its beautiful HINTERLAND

Chartered Surveyors and Estate Agents with 6 branches in Gwent

1 STATION STREET NEWPORT (0633) 59733

RENNIES

The following surveys will be published during 1988 covering Wales:

CARDIFF 1ST JUNE

WALES 9TH SEPTEMBER

SWANSEA 27TH NOVEMBER

For further details concerning advertising within any of the above surveys or for an editorial synopsis, please contact:

CLIVE RADFORD
Financial Times, Merchants House, Wapping Road, Bristol BS1 4JW
Tel: (0272) 292965

NEWPORT 5

Gwent employer network

Ensuring the right skills

THE GWENT Employer Network is one of about 80 that have been set up in the UK to help make vocational education and training more relevant to the needs of industry and commerce.

Mr Ray Furnell, who has been seconded from accountants Furnell and Moore to run the scheme in the county, says that the network is trying to turn needs into action.

In the past, he says, it has been difficult for an employer to influence the education authorities and make them see that his needs are not necessarily those perceived by an educationalist.

"Take my own profession of accountancy. There is a great need for middle-range people. So we would like to try and get all the accountancy firms together so that we can produce a plan for

the local education authority and the Manpower Services Commission to act on.

"We then point to these courses that are needed to produce the sort of people we need, how existing courses might be changed or altered and so get our message through to the schools."

The need is all the more important in the county, he believes, because, strange as it may seem, the point is approaching when a sort of full employment will be reached. Not necessarily full employment as envisaged by the economists and statisticians, but where employers absorb all the new entrants looking for jobs.

New companies like the TSB and government offices, such as the Patent Office, will absorb large numbers in the next few years at a time when the number

of new entrants to the labour market is falling.

Between 1987 and 1992 the number of 16 and 17-year olds in Gwent will fall by a third. Because larger numbers are going into further education, employers will find the labour force even further cut. Mr Furnell says this will put great pressure on them.

The network also hopes to improve the level of training. There is, he says, a sharp division between what is undertaken in large companies and the smaller ones. Large companies have full-time training officers who ensure systematic training is undertaken.

The smaller company is not always in a position to have a comprehensive scheme. The

Gwent Employer Network has proposed to the MSC that it funds a project for the network to survey all employers in the county and find out the number of each concern's books and whether that company has a full-time training officer.

"Such a survey would identify where training needs were greatest and then we would press for finance to be made available to put full-time officers in half a dozen companies."

Schemes such as this are the essential micro-level answer to macro-level undertakings. Mr Furnell believes the Gwent network can contribute to the creation of a better link between education, industry and, eventually, the end-product which is what really everyone is after.

Transporter Bridge

Fine Victorian monument

NEWPORT'S TRANSPORTER BRIDGE, the town's dominating landmark, is almost unique. There is just one other of its sort in Britain, at Middleborough.

Unfortunately, it has been closed for over two years for safety reasons. It needs over £2m spent on it to restore it to working order and the local council is not sure whether it can commit such a large sum of money to an Edwardian curiosity.

Why this sort of structure was put up, at this distance of time, unclear though it is possible that the swift-flowing Usk that it spans or the soft foundations might have been contributory factors. Why no such other estuarial crossings were erected is even less clear. It cannot have

been cost, for the bill when the bridge, which is really a suspended ferry, was opened in 1905, came to just £38,000.

The need for a crossing at this point had been long recognised. The Usk was, at the turn of the century, crossed by just one road bridge (the railway company had another alongside it) that was originally built in 1800, widened in 1856 and partly rebuilt in 1892-93.

The rise of industrialism, the developing trade in the port and the growing commerce in the town all led to increasing congestion on the roads. In the late 19th century various schemes were put forward to alleviate the traffic problem.

A ferry was mooted, as was a



The transporter bridge, Newport's dominating landmark

subway for pedestrians; both came to nothing. Eventually, in 1905, it was decided to build a transporter bridge since this would allow reasonable movement of carriages and at the same time offer little hindrance to riverborne traffic.

The site chosen was that where it was proposed, as early as 1880,

that there should be a subway. Although the bridge was started and finished in Edwardian times it took almost four years to build - it is probably best thought of as a fine monument to those great Victorian bridge-builders who were at the centre of world engineering at the height of the Empire.

EARLY THIS summer, the main plant of Plessey Naval Systems in Newport is to introduce a new form of organisation which, Mr Mike Davison says, will revolutionise the works and could work wonders for the giant electronics group.

These are big claims but what Mr Davison, manufacturing director of PNS, is about to do is to launch the Japanese method of working called Kanban, better known in the UK as Just in Time (JIT).

Just in Time stands conventional work practices on its head. It is a pull system of production instead of a push system, he says,

Profile: Plessey Naval Systems

Shopfloor pull

involving a culture shock for both worker and supervisor on the factory floor. This is because operators will "work" only when there is something for him or her to do. They will not work just to be piling up an end product.

The company's Newport site carries about £20m of materials at any one time, Mr Davison

says, and the cost of funding them is about £2.5m a year. "That is an enormous cost. I want to manage production in such a way that material and space costs are reduced significantly. With JIT, I believe I can save at least half the funding costs."

Under the JIT system, materials come in to the plant at the last possible moment and each worker only works when he or she has a specific order to fulfil. No new item is put into the schedule until the previous one has been completed. In this way, input stock is reduced to a minimum and stores are a thing of the past.

communications side of the business, for instance, it could work wonders for the company's revenue account.

The system will take about a year to bed in at Newport, Mr Davison believes, but he has one important card in his hand. The man who will be responsible at plant level for its introduction, Mr Jim Jones, has experienced the system first hand in Japan while working for Mitsubishi.

"When I went out to Mitsubishi, I was in awe of what happened there, he says. I even wondered if I would survive. But I quickly learnt that what was happening was quite logical and it changed my whole style."

Plessey Naval Systems is a grouping of three Plessey arms that contributes some £150m a year towards group turnover.

One arm produces large complex electronics for the wet end of sonar equipment.

A second arm, undertakes turnkey projects in which it might install other companies' equipment as well as Plessey's in a vessel.

The third, of which the 600-strong Newport workforce is part, is largely concerned with the high volume expendable sonar equipment such as sonar buoys.

Outside factors have helped Plessey determine to bring in JIT and other cost-effective methods of management. A change in ordering patterns within the Ministry of Defence, which is virtually the sole purchaser of equipment at the moment is one of them.

Until recently, the MoD operated on a cost-plus basis. Now, however, the Ministry has moved to fixed-price contracts, placing no secret that the group's executives are watching the experiment with considerable interest. If the system can be introduced into the vitally important tele-

You have a partner at Peat Marwick McLintock.

Accountants and management consultants.

Richard Parkinson, Clytha Chambers, Clytha Park Road, Newport NP9 4UH. Tel: (0633) 62851.

KPMG Peat Marwick McLintock

Black Clawson

Manufacturers of Machinery for the Pulp, Paper, Board, Converting, Plastic Industries and UNIDAC Electronic Control and instrumentation equipment Utilized throughout the World.

BLACK CLAWSON INTERNATIONAL LTD. Westgate Works, East Dock Road, Newport, Gwent NP9 2TT U.K. Tel: Newport (0633) 244441

New Venture CARPETS LIMITED

Major UK manufacturers of budget-priced quality carpets

Member of the International Decolux Group of Companies in all types of floorcovering

NEW VENTURE CARPETS LIMITED NEWPORT GWENT TELEPHONE (0633) 77288

SCOTTS

Chartered Surveyors est. 1907

For expert advice upon residential and commercial development opportunities. Specialists in the sale of:

- Country Properties
- Executive Homes
- New Homes

Partners: Anthony Newhouse F.R.I.C.S. Alistair Jones F.R.I.C.S., F.A.A.V., A.C.I.A.R.B. 57, Bridge Street, Newport (0633) 50883

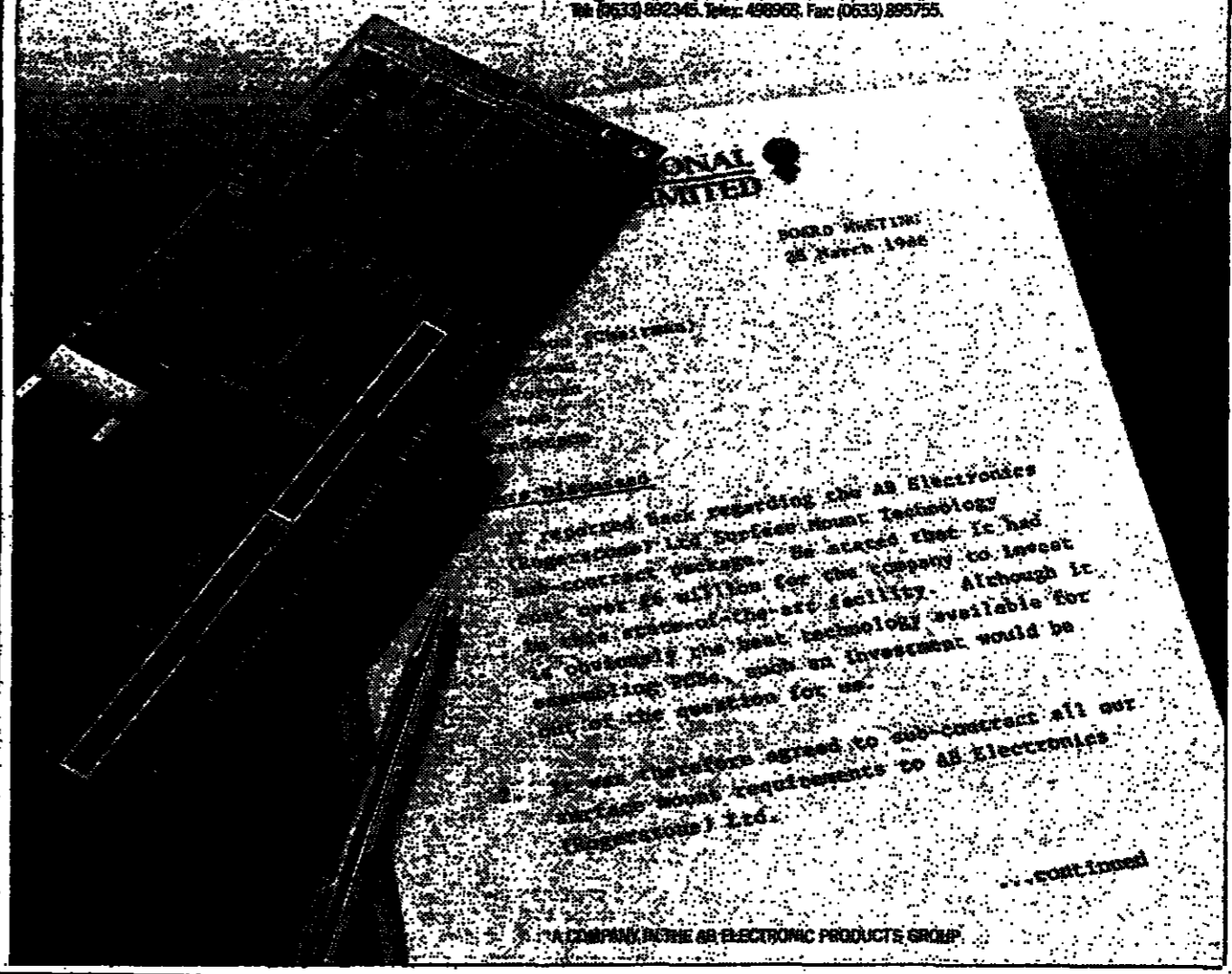
In a couple of minutes you could make your most profitable board decision of 1988.

Surface Mount Technology is unquestionably the direction of the future for PCBs. Yet the investment necessary to get even one fully-automated SMT line up and running means that many companies have still to make the change from pin-in-hole technology. Now AB Electronics (Ruggerstone) Ltd can offer 5 fully-automated Fuji production lines in 120,000 sq ft purpose-built plant. This facility can handle up to 8 million component placements each week, and is the largest independent facility in Europe with an

uncompromising commitment to the highest level of product quality and reliability. AB Electronics (Ruggerstone) Ltd has gained a reputation for excellence with many major electronics manufacturers for PCBs and full product assembly. The SMT sub-contract package provides an efficient and cost-effective alternative for those who wish to take advantage of the latest technology without huge capital investment, so why not make your most profitable decision of 1988 and get in touch today?



THE SOURCE OF PROFESSIONAL ELECTRONICS
AB ELECTRONICS (Ruggerstone) Ltd
Ruggerstone, Newport, Gwent, NP1 5YA, Great Britain
Tel: (0633) 882345. Telex: 498965. Fax: (0633) 895755.



DRIVING AHEAD!

Better steel. Better able to meet the new and more challenging demands of industry. Steel from British Steel's Strip Products Group.

The plants in Strip Products Group are reaching best standards for quality, consistency and productivity. Developing and producing advanced steels (including those with metallic and organic coatings) that will cost-effectively outperform alternative materials. And backing them with unmatched technical support and fair-dealing customer service. Strip Products Group, with its headquarters and one of its major plants in Newport, is driving ahead.

HOT ROLLED · COLD REDUCED · GALVALITE · ZALUTITE · ZINTEC · TENFORM · TENBOR VESTEEL · TERNEX · COLORCOAT · STELVETTE · BSC TINPLATE · BSC ELECTRICAL STEELS

British Steel Corporation, Strip Products Group, PO Box 11, Newport, Gwent NP9 0DL. Telephone: 0633 260022.

British Steel
In shape for the future

MANAGEMENT

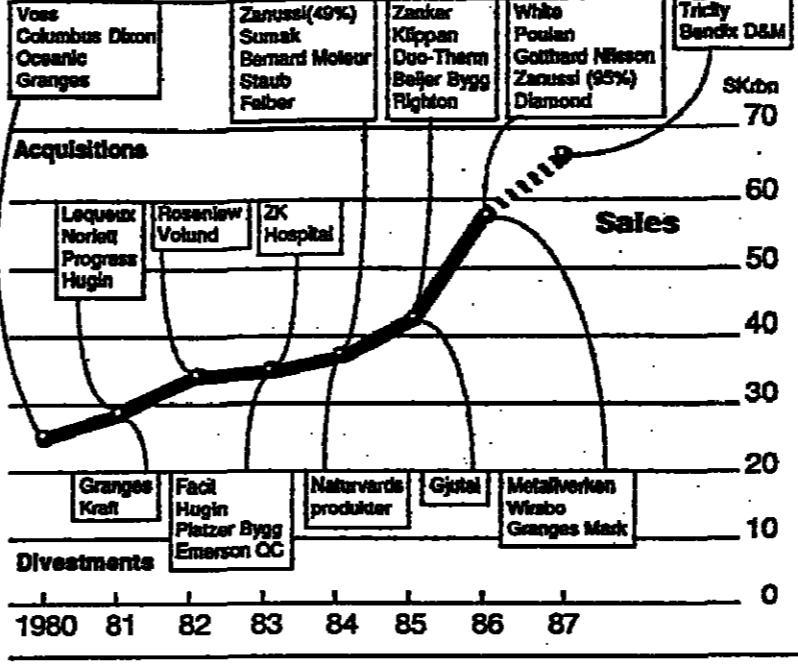
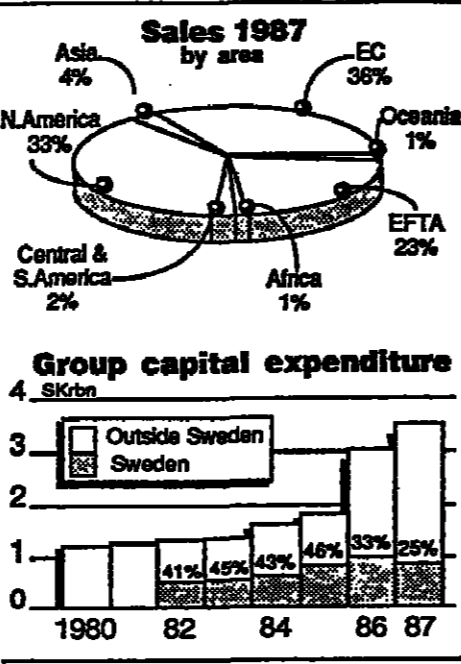
Multinational strategy Electrolux goes for global lifestyles

Christopher Parkes explains how the Swedish appliances group is dismantling national barriers

SHRER BULK helps, but Electrolux has many attributes which help set it apart as the very model of a modern multinational...



Anders Scharp



While many multinationals hesitate and jib at the cultural barriers which hamper the development of such products, Electrolux believes they are already greatly eroded and their collapse is only a matter of time.

Every new product will be aimed at all three markets and the lifestyles within them. Scharp admits the company faces a struggle in Japan, where sales last year came to a measly \$150m.

Working to a precise formula for making the most of economies of scale, Electrolux now manufactures all its front-loading washing machines for Europe at Pordenone in Italy.

Commercial and catering appliances, complementary to the white goods business, accounted for only 3 per cent of group sales last year, but Electrolux is already the biggest player in the European market.

In both sectors, as Electrolux found in domestic appliances, there are many neglected specialist businesses to be found on the fringes of industrial conglomerates which are trying to refine operations.

Management abstracts

Forecasting corporate failure. R. Norgard in The Chartered Accountant in Australia (Australia), Aug 87 (32 pages). Essentially a checklist for advisors to small businesses of the warning signs of impending doom: believes that most business failures stem from poor management, such as a dominating executive or weak financial function...

PRUDENTIAL Property Services. Residential Lettings. BATTERSEA, SW11. DUKES AVENUE, W4. DOCKLANDS, E14.

Bigwood. 01-491 7280. PLAZA ESTATES. BRISTOL GARDENS, W3. JUBILEE PLACE, SW3.

KENWOODS RENTAL. QUALITY FURNISHED FLATS AND HOUSES. Short and Long Lets. 23 Spring St, London W2 1JA.

FW GAPP. We always require quality properties in central London for waiting applicants. Management service also available.

The Property Managers. 01-221 8838. PROBLEY-2 Miles Station. Let and Sale. 3 Bed/1 (en suite) Lounge, 10m x 12m Front Garden.

KLEINWORT BENSON (JAPAN) FUND SICAV. Notice of Meeting. Means Shareholders are hereby convened to attend the Annual General Meeting which will be held on April 13th, 1988 at 4.00pm.

KENWOODS RENTAL. QUALITY FURNISHED FLATS AND HOUSES. Short and Long Lets. 23 Spring St, London W2 1JA.

CFI CONVERT FUND INTERNATIONAL S.A. Notice is hereby given to holders of class "A" shares of ConvertFund International S.A., that on or after March 30, 1988, payment of a dividend of US \$ 0.50 (50 cent) per share will be made.

DOMESTIC PETROLEUM LIMITED. FLOATING RATE NOTES DUE 1989. For the six months, March 24, 1988 to September 25, 1988, the rate of interest has been fixed at 7 3/8 % P.A.

SOCIETE GENERALE ALSACIENNE DE BANQUE LUXEMBOURG. The Principal Paying Agent. 15, Avenue Emile Reuter, LUXEMBOURG.

NOTICE TO BEARERS OF SHARE WARRANTS OF COMPANY OF THE NEAR EAST PLC. Notice is hereby given to the bearers of Share Warrants that on 8th March 1988, the Company received to vary the Conditions of the Warrants...

PROVIDENT MUTUAL LIFE ASSURANCE ASSOCIATION. Notice is hereby given that the 147th Annual General Meeting of the Association will be held at the Grosvenor Hotel, London EC2 on Wednesday, 20 April 1988 at 12.30pm.

FT-CITY COURSE. London. 5 April - 24 May, 1988. The FT-City Course, arranged jointly by the Financial Times and the City University Business School has attracted some 4,600 delegates from over 800 organisations since it was first held in 1970.

THE COMMERCIAL BANK OF THE NEAR EAST PLC. NOTICE IS HEREBY GIVEN that the 26th Annual General Meeting of this Company will be held at the Registered Office, Bankers House, 107-112, Leadenhall Street, London EC3A 4AE on Monday, 28th April, 1988 at 12 noon.

NOTICE IS HEREBY GIVEN that the 26th Annual General Meeting of this Company will be held at the Registered Office, Bankers House, 107-112, Leadenhall Street, London EC3A 4AE on Monday, 28th April, 1988 at 12 noon.

How do you like your business news delivered?

BUSINESS DAILY. Now at 12.30 - still 1st on the air with business news.

BUSINESS DAILY. Now at 12.30 on 4.

FT-CITY COURSE. London. 5 April - 24 May, 1988. The FT-City Course, arranged jointly by the Financial Times and the City University Business School has attracted some 4,600 delegates from over 800 organisations since it was first held in 1970.

FT-CITY COURSE. London. 5 April - 24 May, 1988. The FT-City Course, arranged jointly by the Financial Times and the City University Business School has attracted some 4,600 delegates from over 800 organisations since it was first held in 1970.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Monday March 28 1988

Fresh echoes of the crash

THE WEAKNESS of the dollar and of the securities markets in both New York and Tokyo in the last week is at first sight illogical. The US current account has been improving rather faster than even optimistic forecasters expected...

Calendar event

The dollar speculation was set off by a purely calendar event on March 31. This is important because rumours have leaked out of a secret agreement at the Reagan-Takeshita summit last autumn...

Whether this is truth or fable, the dollar was stoutly defended in January when the danger level was nearly breached, and the bear raid was so successful that the rate has been comfortably above it ever since.

The challenge for Mr Kinnock

THE CHALLENGE to the leader of the Labour Party, Mr Neil Kinnock, by representatives of his party's traditional left wing is more than a little local difficulty in British politics.

It would be all too easy for the Labour leader to miss the target of the EC, to be content to fail to take advantage of it, for his challenger, Mr Tony Benn, should be easy to see off.

Old ideology

This "revisionism", as the left calls it, has been widely accepted among both Labour Members of Parliament and ordinary voters as a positive development.

Andrew Whitley and Tony Walker report on a new, testing, phase in the Arab-Israeli conflict

THE PALESTINIAN uprising against Israeli rule, now well into its fourth month, is settling down to a slow battle of wills in which economic weapons are playing an increasingly important role.

Each side, in its attempts to inflict harm on the other, is adopting measures which appear almost self-defeating, but which are ultimately about demonstrating who is in charge.

Pressures on the 120,000 Palestinians who previously worked in Israel to withdraw their labour, is a further example of the underground leadership attempting to force a disengagement of the two communities.

But after the early euphoria, as Palestinians demonstrated an unexpected capacity to challenge Israeli control, the intifada (shaking up) is entering a testing new phase.

Leading Palestinians have few illusions about the difficulties involved. "Economically, they (the Israelis) hold us by the neck," says Mr Ibrahim Matar, a director of the American Near East Relief Agency...

Earlier this week, the Israeli Defence Minister, Mr Yitzhak Rabin, told a parliamentary committee that the army's new dual approach to handling the unrest, combining mass arrests with a series of administrative and economic measures, was designed "to bring the level of violence in the areas down to a minimum in a matter of weeks."

Among the punitive steps already taken are:
● Severe restrictions on the inflow of money into the territories - both on the amounts carried in and transferred through the banking system...

● A two-week ban on the supply of fuel oil and petrol to Arab distributors, affecting heating and transport.
● Cutting off international telephone links in an attempt to sever what is perceived as a link between the organisers of the uprising and the PLO.



A shift from stones to sanctions

expanding the circle of those harmed and fomenting participation in insurgency activities.
The accumulated cost to Israel to date is put by Mr Gad Ya'acobi, the Economic Planning Minister, at approximately \$300m. Of this, about \$200m represents lost "exports" to what used to be a captive market.

Textiles, construction and the hotel industry seem worst hit by the loss of sales and the absence of low-paid Arab workers. But, at this stage, few Israelis foresee long-term damage to their economy. "I would expect Israeli companies to rely less on labour from the territories in future," says Mr Dan Propper, managing director of Osem, a leading food company.

Mr Meiron Benvenisti, whose detailed studies of the West Bank and Gaza Strip have become standard reference works, dismisses prospects of Palestinian economic independence. "They are paying for their complacency," he observes this week. "They allowed the Israelis to buy them."

'We will keep going and maybe we will be more violent'

"We are like birds trapped in a cage," said the old man. "We don't know what the future holds. But we will keep going. It doesn't matter what the end will be, even if they arrest everybody."

The speaker was Mahmoud Mohamad Ahmad, the head man of Silwad, a fiercely nationalistic Palestinian village of about 4,000 people, set in stony hills in the West Bank near the big Arab town of Ramallah.

Twenty-five young men from Silwad have been detained, and townspeople say another 50 are wanted. Youths sleep in the fields at night to avoid capture. One fear is that armed Jewish settlers from the nearby Ofra settlement will attack the village in retaliation for stones thrown at their cars. It has happened before.

before thousands left to work in the Gulf - is preparing for a siege. Food is being stockpiled. Residents appear resigned to economic hardship. Most of the 200 men who used to travel to Israel each day to work in construction have stopped making the journey.

Mr Meiron Benvenisti, whose detailed studies of the West Bank and Gaza Strip have become standard reference works, dismisses prospects of Palestinian economic independence. "They are paying for their complacency," he observes this week. "They allowed the Israelis to buy them."

Board pass ball to South Africa

Rugby means more to white South Africans than to most people and last week's decision by the International Rugby Board to give the green light to a resumption of international tours has been cheered by the nation's "rugger-buggers".

Politically the decision, plus the election of South African rugby veteran Jan Pickard to world rugby's "politburo", the five-man IRB policy making committee, is a setback to the anti-apartheid sports boycott.

Forward pass

The timing of the decision appears to have thrown a spanner in the works in the run up to Seoul when far fewer countries than has become normal have pulled out due mainly to the Soviet Union's refusal to follow the North Korean lead.

Late tee time

The arrival of the lighter evenings has prompted Lord Grimmond to recall how as Liberal MP for the Orkneys he lined-up with the opposition to the all-year-round British Summer Time experiment from 1968 to 1971.

OBSERVER



Norman's been made an offer he can't refuse to play above his penny in South Africa.
He sent to Chris Ovi, the winger who ran in three of England's tries against Ireland last week when more tries were scored in one half than in the previous four years of the championship, so ending a self-imposed boycott on running the ball over the line.

Soft landing

Mal Hidg, the former US Secretary of State, was at dinner the other day with Hans-Dietrich Genscher, the West German Foreign Minister.
Hidg told him of an American story that two aircraft had collided over the Atlantic and that Genscher was in both of them. Genscher said that that was only half the German version of the story. The other half was that he survived in both cases.

Bricks and mortar

The wave of house-price increases emanating from London has finally reached the north. Business since January has been hectic in West Yorkshire estate agents, one of whom said that houses were selling before they appeared in the newspapers.

Open all hours

Sign seen in a dress shop window in Newport Beach, California: Wanted! Customers. No experience necessary.

NEW SERVICES TO LONDON CITY AIRPORT FROM PARIS, BRUSSELS AND AMSTERDAM. Includes flight schedules for various routes and contact information for booking services.

KIVETON PARK STEEL
WE ARE THE SUPPLIERS OF THE VERY BEST STEEL
KPS
 KIVETON PARK STEEL & IRON WORKS LTD.
 Works, Sheffield S1 6WJ
 Telephone 059 770251
 Fax 059 770250
 Telex 0209 772349

SECTION II - COMPANIES AND MARKETS
FINANCIAL TIMES

Monday March 28 1988

IMI
 for building products, drinks dispense, fluid control, special engineering, refined and wrought metals.
 IMI plc, Birmingham, England.

INTERNATIONAL BONDS

Nervous Eurodollar market grinds to a halt

BY CLARE PEARSON IN LONDON

A FALLING US dollar and weakening US Treasury market, followed by a sharp drop in share prices with such jitteriness in the international capital markets last week it was hardly surprising that investors were standing back from Eurodollars.

Though a dollar deal for the European Community is said to be imminent, the Eurodollar new issues market stood at a virtual standstill because of the nervous atmosphere.

New issue managers were left with little choice but to fall back on issuing deals in the higher-coupons currencies, aimed at catching the eye of the small Continental retail buyer.

For the second week running, the Canadian dollar sector formed the main focus of their attention, with a hefty C\$885m worth of extra paper surfacing, which the market seemed to absorb with remarkable ease. More deals are on the way this week, syndicate managers say.

Even if a logjam ultimately occurs in the primary market, the Canadian dollar sector shows signs of assuming the role the Australian dollar market enjoyed during the first nine months of last year - the market for Continental retail investors.

The strength of the Canadian currency, combined with relatively attractive yields, is the common explanation for the sector's strength.

Yields on Australian dollar bonds are higher and the currency has been strong recently, but investors have probably not forgotten the Australian dollar's sharp plunge after last October's stock market crash.

The Canadian government bond market's yield advantage over the US Treasury market has narrowed markedly recently. Its high for the year was about 150 basis points but it now stands at only about 1 per cent.

On individual Eurobonds, the Canadian sector's yield advantage can be even narrower. For instance, on Friday a five-year US dollar issue for Oesterraeische Kontrollbank was yielding 8.70 per cent, while a comparable five-year Canadian dollar

bond for the borrower yielded 8.55 per cent.

Yield margins of almost all recent Eurobond issues over Canadian government bonds tightened from their launch level last week - in apparent defiance of gravity, given the continued flow of new paper. A five-year deal for General Electric Capital Canada, for instance, even though it was increased by C\$5m to C\$500m, was trading on Friday at less than 40 basis points over Canadian government bonds - about five basis points narrower than at launch.

The C\$300m deal for BCE, launched on Thursday, nevertheless traded within the total fees at 1% bid - even though it was the biggest bond the sector has ever seen and the last of the week's to emerge.

There were, of course, exceptions to the string of successful deals.

A five-year bond for GMAC Canada was seen as too expensive by most dealers and traded on Friday at less 2 bid, compared with 1% per cent total fees.

Meanwhile, a four-year issue for the unrated Club Med subsidiary of Club Med Mediterranee looked extremely tight at a yield spread of about 35 basis points over the Canadian government bond yield curve. There was no screen price for the issue on Friday.

It was also notable that no issuing house ventured to launch a Canadian bond with a maturity beyond five years last week. The week before, seven-year issues for Mitsui and Toronto-Dominion Bank had performed disappointingly.

Demand for longer-dated bonds seems generally weak in the Eurobond market at the moment. Daiwa Europe, however, said last week it deliberately chose the seven-year area of the yield curve when it launched a Y500m bond for Norway - the largest the sector has seen this year.

The issue was expected to be sold as a switching opportunity for investors wanting to take advantage of a recent steepening of the Euroyen yield curve.

In the five-year area, Euroyen bonds now offer a yield differential over Japanese government bonds (JGBs) of only about 62 basis points; by contrast, the spread in the seven-year area is about 80 basis points.

This is because the only recent substantial buyers of Euroyen have been central banks, which are restricted to purchasing issues with maturities of five years or less. A heavy redemption programme in the JGB market is leading them to turn more attention to the Euroyen sector.

The expectation of tight supply in the JGB market, indeed, provides a favourable underpinning for the Euroyen market in the coming year.

The Japanese Government is expected to add an estimated Y4,500bn to the market in the year starting next month. In May, the world's largest bond issue - the 6.1 per cent No.10 - is due for redemption for over Y3,000bn.

However, the Japanese interest rate outlook has been dull and many foreign investors have already taken currency profits arising from the yen's appreciation against the dollar over the last few weeks.

Domestic buyers have been held back by the approach of the fiscal year end.

That said, dealers noted Norway's bond encountered a surprising number of outright buyers, rather than just switchers. It traded within fees at less 1% bid on Friday.

The D-Mark sector was also lacklustre last week. Both D-Mark Eurobond and domestic bond prices closed on Friday about 1/4 percentage point better on the week but in low turnover.

Most of last week's new issues failed to impress the market. Least popular was probably Philip Morris' five-year bond, bid a full three points below its issue price on Friday. But Luftansa's deal also met a lukewarm response, trading at less 2.25 bid, providing further evidence that investors are reluctant to buy 10-year paper in so nervous an interest rate environment.

Electrolux to boost UK production with £17.7m investment

BY CHRISTOPHER PARKES IN LONDON

ELECTROLUX, the Swedish electrical products group, is to spend £17.7m (£32.4m) to increase output and improve efficiency in its UK domestic appliance operations.

The investment is the first stage of the group's capital expenditure programme for Britain, according to Mr Roger Baxter, managing director of the group's UK subsidiary. It follows the £42m purchase of Thorn EMI's fading white goods business last summer.

More than half of the investment, £9.25m, will be spent at the Luton, Bedfordshire vacuum cleaner factory.

Production is expected to rise by 25 per cent from the current level of 1m machines a year, following the installation of automated assembly equipment and other improvements.

A further £4.5m will be used to revamp the former Thorn refrigeration factory at Spennymoor, Co Durham. Output of Zanussi Tricity and Electrolux brand refrigerators should increase from 500,000 to 600,000 units a year.

The balance will be shared between the Luton microwave oven plant, which was expanded 18 months ago with a £2m investment to make ovens for the whole of Europe, and the spare and components subsidiaries at Newton Aycliffe, Co Durham.

Mr Baxter said it was impossible to say if the investments would have any effect on jobs. "The number of jobs we have depends on the number of products we sell," he added.

As well as gaining a bigger share of the UK appliance market - helped by a six-fold rise in Electrolux advertising expenditure this year - the company aims to increase exports.

Shipments from Luton to continental Europe are expected to rise 50 per cent to £45m, and the company also hopes to export 3m cookers as well as more floorcare products and domestic refrigerators.

Turnover of Electrolux group companies in Britain, which include the Fyeno lawnmower business and commercial and industrial subsidiaries, is expected to reach £750m in 1988, according to Mr Jimmy James, chairman of the UK group.

The company is expected to launch its first Electrolux brand cookers in the UK this week and start deliveries to retailers next month.

EUROCREDITS

Scandinavians continue to surface with tightly priced deals

BY STEPHEN FIDLER IN LONDON

SCANDINAVIAN corporate borrowers have continued to emerge in the international loans market and still more are said to be on the way.

Alfa-Laval, the diversified Swedish engineering group, is raising \$200m through a five-year revolving credit led by Credit Suisse First Boston.

The credit, with a \$100m swing-line option, follows the pattern of tightly-priced deals for Swedish borrowers. It carries facility fees of 4 basis points for the first three years and 5 basis points for the remaining two.

It pays interest at London interbank offered rates or prime rate, with utilisation fees of 5 basis points if less than one-third

drawn, 7% basis points if less than two-thirds and 12% basis points if more than two-thirds. Front-end fees are said to range down from 5 basis points for a \$25m commitment.

In the week that Samuel Montagu completed acquisition of a £165m project financing for Skunk Paper, the UK subsidiary of Finland's United Paper Mills, Kymmene, another Finnish forest products group, launched a \$150m facility.

Citibank is arranging the seven-year credit which is in two parts. The first is a \$50m loan, paying interest at 17% basis points over Libor, with repayment in seven semi-annual instalments starting after four years.

The other element is a \$100m revolving credit, carrying a 6% basis point commitment fee on the undrawn part and a margin of 15 basis points on the drawn element. A fee of 2% basis points is payable if more than \$50m is drawn.

Chase Investment Bank is syndicating an aircraft finance deal for Air France, although the borrower is an Irving Trust leasing subsidiary. The amount is \$81.2m, enough to buy about 80 per cent of a Boeing 747-300, and the deal carries a final maturity of 15.9 years.

The Trans-Turkian Pipeline Company is raising \$60m to refinance the outstanding portion of an Ecu150m loan it signed in

December 1983. The borrower operates a pipeline between Tunisia and Italy and is owned by SNAM, part of the Italian state holding group, ENI.

The five-year loan, being arranged through Bank of America, pays interest at 12% basis points over Libor and banks receive 12% basis points for a \$7.5m commitment and 10 basis points for a \$5m commitment. The lender can opt to switch into French francs from the end of the second year.

Banca Commerciale Italiana is raising Ecu25m for Haldimand, the state fund, over 10 years, at a margin of 15 basis points.

While Hungary is said to be sounding out the market to raise between \$300m and \$400m, another Eastern European borrower, Czechoslovakia, is seeking \$50m through a five-year floating-rate certificate of deposit facility for Ceskoslovenska Obchodni Banka. The facility, being arranged by First Chicago, carries a margin of 12% basis points over Libor with 22% basis points at the front end for a \$10m commitment.

The country's previous international borrowing carried the same margin, but that financing, signed in August, was far more and longer - \$220m over 10 years.

Nevertheless, bankers' perceptions of the country cannot be said to have improved since then, and a number believe the terms should have been more generous.

In the UK, Atlantic Computers, the IBM computer supplier, signed a £120m, three-year multi-pis-option facility arranged by NM Rothschild, increased from £75m.

The committed financing carries a 25 basis point margin and a 10 basis point utilisation fee if more than half drawn. Facility fees of 15 basis points are payable on the so-called available tranches, and 10 basis points on the unavailable.

In commercial paper, Chase Manhattan is launching a Euro-commercial paper programme on which it has pre-set no size limit. Chase and CSFB are arrangers.

KLM to take over Netherlines

KLM ROYAL Dutch Airlines is to take over Netherlines, the struggling Dutch regional airline.

Netherlines was founded in 1984 by Mr Leen Janssen, a pilot turned entrepreneur, who sold the company in 1986 to Nedlloyd. It has been restructuring its operations in an effort to cut losses of about Fl 20m (£10.5m).

Feature, Page 15

EUROMARKET TURNOVER (€m)

| Primary Market | Secondary Market | Other |
|----------------|------------------|---------|
| US\$ 3,394.6 | 1,615.4 | 5,408.2 |
| DM 18,098.9 | 1,828.4 | 5,275.5 |
| Other 4,181.9 | 1,051.3 | 3,787.8 |
| Prev 4,381.9 | 0.3 | 0.0 |

| US\$ | DM | Other |
|----------|----------|----------|
| 10,981.6 | 33,247.6 | 44,221.2 |
| 11,264.1 | 33,864.7 | 45,130.8 |
| 11,012.0 | 27,112.2 | 46,214.2 |
| 21,484.0 | 30,825.2 | 52,489.2 |

Week to 24, March 1988. Source: AIBD

These Bonds having been sold, this announcement appears as a matter of record only.

New Issue

March 1988



The Copenhagen County Authority
 (Københavns Amtskommune)
 Denmark

Swiss Francs 47,500,000
 4 3/8 % Bonds 1988-1992

S.G. Warburg Soditic SA

- | | |
|------------------------------|--|
| Bank Heusser & Cie AG | Banque Gutzwiller, Kurz, Bungener S.A. |
| Banque Paribas (Suisse) S.A. | Chase Manhattan Bank (Switzerland) |
| Kreditbank (Suisse) S.A. | Unigestion S.A. |

- | | |
|--------------------------------------|--------------------------------|
| Alpha Securities AG | Amro Bank und Finanz |
| Banca Commerciale Italiana (Suisse) | Bank Leumi Le-Israel (Schweiz) |
| Bank S.G. Warburg Soditic AG | Banque Kleinwort Benson S.A. |
| Crédit des Bergues | Morgan Stanley S.A. |
| Nippon Kangyo Kakumaru (Suisse) S.A. | J. Henry Schroder Bank AG |
| Swiss Cantobank (International) | |

These Promissory Notes having been sold, this announcement appears as a matter of record only. The Kingdom of Sweden is a signatory to the arrangement on guidelines for officially supported export credits.

February 1988



AB Svensk Exportkredit
 (SWEDISH EXPORT CREDIT CORPORATION)
 (Incorporated in the Kingdom of Sweden with limited liability)

Swiss Francs 59,750,000
 Promissory Notes in 4 Series

- Swiss Francs 14,030,000 Promissory Notes, due April 1, 1989
- Swiss Francs 13,040,000 Promissory Notes, due April 1, 1990
- Swiss Francs 13,680,000 Promissory Notes, due April 1, 1991
- Swiss Francs 19,000,000 Promissory Notes, due April 1, 1992

Arranged by

S.G. Warburg Soditic SA

INTERNATIONAL CAPITAL MARKETS

UK GILTS

Technical outlook offers solid base

IF THERE is one thing that has underpinned the gilt-edged securities market in its current and rather dull trading range, it is what analysts and traders describe as the "technical" outlook for the year ahead.

The conventional market wisdom is that, even though the economic foreground is uncertain - the behaviour of longer-dated yields still underlines latent concerns over the conduct of policy and the outlook for inflation - the technical background has stopped it deteriorating.

Many analysts have believed for some time that the Bank will have a negligible amount of gilts to sell in the coming year, a view reinforced by the Budget papers. A public sector borrowing surplus of £3bn and maturing debt of £3.2bn gives a preliminary target of £3.2bn of gilt sales.

To this is added the change in the funding definition. In 1988/89 funding will be on the basis of M4, not M3. Therefore, the extent to which building societies are net buyers or sellers of gilts will effect the equation further.

Lastly, few expect the same level of foreign exchange intervention this year as we had last year. If anything, intervention this year could be contractionary of the money supply rather than expansionary, as the authorities may be forced to support the pound in the face of a deteriorating balance of payments.

US MONEY AND CREDIT

The Crash of '87 reappears in abridged version

IT MAY be that all disasters become commonplace in the end, but it is early to be putting out pocket versions of The Crash of '87. Last week, however, US financial markets churned one out all the same - condensed, amplified and scary.

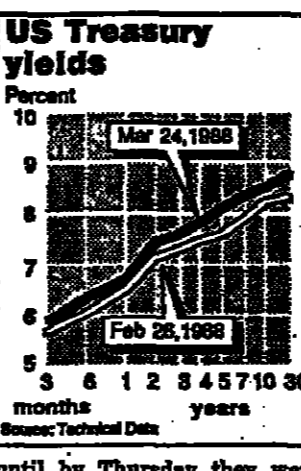
Stocks crashed last October because bond investors panicked at the booming economy and tumbling dollar and drove up the cost of money to put a stop to both. Last week, the bond market had a shot at pulling the same stunt.

It was not very dramatic. Interest rates rose just 12 basis points to their peak on Thursday and the dollar exchange rate fell only a couple of yen.

But this was enough to destroy confidence in the stock market. The Dow Jones Industrial Average fell almost 80 points on Thursday and Friday and would, no doubt, have fallen further but for the exchange's new limits on programme trading.

The bond market then recovered in exactly the fashion of late October, when stock investors fled for the safety of government debt securities. The Treasury yield bond, which reached a peak of 8.51 per cent on Thursday, was back down at 8.67 per cent by Friday afternoon.

That left long-term interest rates unchanged on the week as if the whole exercise had never happened. Credit markets have been spoiling for a showdown for a month now. Gone is the easy confidence of January, when many economic forecasters believed a recession was in store and would bring lower interest rates in its train.



US Treasury yields. The chart shows yields peaking at 8.51% on Thursday and falling to 8.67% by Friday.

market economist at Irving Securities, puts it dramatically: "The market was attempting to cushion itself against the worst of all possible outcomes until the stock price drop produced the realisation that the world economy could not tolerate higher yields."

Having taken care of the Open Market Committee meeting, the bond market still has three big issues to contend with this week. The first is the stock market, which is likely to rank highest in the concerns of bond investors.

If the stock market continues to weaken, the bond market may be due for modest improvement as money moves out of stocks into Treasury debt instruments. A big fall in stocks would, no doubt, produce the sort of bond rally that occurred in late October.

The second issue is the dollar exchange rate, which has started falling after several weeks of stability. In spite of intervention to buy dollars by the Bank of Japan and the Federal Reserve, the cur-

rency was trading down at just over Y125 by Friday afternoon. The market expects further pressure this week.

The last big item is the report on unemployment and payrolls due on Friday. These monthly figures have become the market's new bazaar, vying in importance with trade figures. A small increase in employment and no change in the jobless rate would probably steady bond prices.

Some hard bargaining is likely before any agreement is reached. It might also involve an end to the long-standing restrictions on securities companies' foreign sub-

sidaries trading in the currency markets. The MoF's concern is to reparate Japanese corporate bond issuance. Japanese companies' bond issues at home and abroad during the current fiscal year to March 31 are estimated to have achieved a record Y12,000bn, up 22 per cent from the previous fiscal year.

Stefan Wagstyl

Japan to boost domestic bond market

RESTRICTIVE RULES governing the Japanese corporate bond market could be abolished in the wake of a strong surge in issues by Japanese companies.

Officials at the Japanese Ministry of Finance are studying ways of liberalising the domestic corporate bond market to encourage borrowers to make issues at home instead of abroad.

The investigation will go to the heart of the most important conflict in the Japanese financial market - the battle between banks and securities companies.

Officials at the Japanese Ministry of Finance are studying ways of liberalising the domestic corporate bond market to encourage borrowers to make issues at home instead of abroad.

Officials at the Japanese Ministry of Finance are studying ways of liberalising the domestic corporate bond market to encourage borrowers to make issues at home instead of abroad.

Officials at the Japanese Ministry of Finance are studying ways of liberalising the domestic corporate bond market to encourage borrowers to make issues at home instead of abroad.

Officials at the Japanese Ministry of Finance are studying ways of liberalising the domestic corporate bond market to encourage borrowers to make issues at home instead of abroad.

Officials at the Japanese Ministry of Finance are studying ways of liberalising the domestic corporate bond market to encourage borrowers to make issues at home instead of abroad.

Officials at the Japanese Ministry of Finance are studying ways of liberalising the domestic corporate bond market to encourage borrowers to make issues at home instead of abroad.

Officials at the Japanese Ministry of Finance are studying ways of liberalising the domestic corporate bond market to encourage borrowers to make issues at home instead of abroad.

Officials at the Japanese Ministry of Finance are studying ways of liberalising the domestic corporate bond market to encourage borrowers to make issues at home instead of abroad.

Officials at the Japanese Ministry of Finance are studying ways of liberalising the domestic corporate bond market to encourage borrowers to make issues at home instead of abroad.

Officials at the Japanese Ministry of Finance are studying ways of liberalising the domestic corporate bond market to encourage borrowers to make issues at home instead of abroad.

Officials at the Japanese Ministry of Finance are studying ways of liberalising the domestic corporate bond market to encourage borrowers to make issues at home instead of abroad.

Officials at the Japanese Ministry of Finance are studying ways of liberalising the domestic corporate bond market to encourage borrowers to make issues at home instead of abroad.

Officials at the Japanese Ministry of Finance are studying ways of liberalising the domestic corporate bond market to encourage borrowers to make issues at home instead of abroad.

US MONEY MARKET RATES (%) table with columns for instrument, last Friday, 1 week, 4 wks, 12-month, and 12-month low.

US BOND PRICES AND YIELDS (%) table with columns for instrument, last Friday, 1 week, and 4 wks.

NRI TOKYO BOND INDEX table with columns for instrument, last Friday, 12 wks, and 26 wks.

FT/AIBD INTERNATIONAL BOND SERVICE

Large table listing various international bonds with columns for issuer, par value, bid price, and yield.

Royal Insurance advertisement featuring a logo, the headline 'REPORT ON 1987', and promotional text about the company's performance and services.

STRAIGHT BONDS: Yield to redemption of the mid-price. Amount listed is expressed in millions of currency units except for Yen bonds, where it is in billions.

This announcement appears as a matter of record only. These Securities have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to United States persons as part of the distribution.

New Issue

2nd March, 1988

£100,000,000

BRITISH AIRWAYS Plc

10 per cent. Bonds due 1998

Issue Price 100% per cent.

Union Bank of Switzerland (Securities) Limited

- | | |
|---------------------------------------|--|
| Barclays de Zoete Wedd Limited | County NatWest Limited |
| Phillips & Drew Limited | S. G. Warburg Securities |
| ANZ Merchant Bank Limited | Banque Bruxelles Lambert S.A. |
| Chase Investment Bank | Commerzbank Aktiengesellschaft |
| Crédit Lyonnais | Daiwa Europe Limited |
| Deutsche Bank Capital Markets Limited | Dresdner Bank Aktiengesellschaft |
| Goldman Sachs International Corp. | IBJ International Limited |
| Morgan Stanley International | Nomura International Limited |
| Prudential-Bache Capital Funding | Salomon Brothers International Limited |
| Wood Gundy Inc. | |

This announcement appears as a matter of record only.

New Issue

1st March, 1988

ECU 50,000,000



Crédit Local de France — CAECL S.A.

7½ per cent. Notes due 1991

Issue Price 101 per cent.

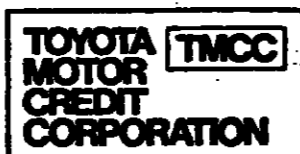
Union Bank of Switzerland (Securities) Limited

- | | |
|--------------------------------------|--|
| Banque Bruxelles Lambert S.A. | Caisse des Dépôts et Consignations |
| Chase Investment Bank | Crédit Lyonnais |
| Banca del Gottardo | Banque Worms |
| BNP Capital Markets Limited | Caisse Centrale des Banques Populaires |
| Caisse Nationale de Crédit Agricole | Generale Bank |
| Morgan Stanley International | Swiss Volksbank |
| Westdeutsche Landesbank Girozentrale | |

This announcement appears as a matter of record only. The Securities referred to below have not, as part of the distribution, been registered under the United States Securities Act of 1933 and may not be offered, sold or delivered directly or indirectly in the United States or of America, its territories or its possessions or to United States persons.

New Issue

16th February, 1988



£75,000,000

Toyota Motor Credit Corporation

9½% Notes Due 1993

Issue Price 101 per cent.

Union Bank of Switzerland (Securities) Limited

- | | |
|--|--|
| Merrill Lynch International & Co. | Shearson Lehman Brothers International |
| BNP Capital Markets Limited | Banque Bruxelles Lambert S.A. |
| Chase Investment Bank | Credit Suisse First Boston Limited |
| Daiwa Europe Limited | Dresdner Bank Aktiengesellschaft |
| Leu Securities Limited | J. P. Morgan Securities Ltd. |
| Morgan Stanley International | The Nikko Securities Co., (Europe) Ltd. |
| Nomura International Limited | Phillips & Drew Limited |
| Salomon Brothers International Limited | SBCI Swiss Bank Corporation Investment banking |

This announcement appears as a matter of record only. These Securities have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to United States persons as part of the distribution.

New Issue

11th February, 1988



Household Financial Corporation Limited

(Incorporated under the laws of Ontario, Canada)

Can. \$75,000,000

10¼ per cent. Guaranteed Notes due 1993

unconditionally guaranteed by

Household Finance Corporation

(Incorporated under the laws of Delaware, U.S.A.)

Issue Price 100¼ per cent.

Union Bank of Switzerland (Securities) Limited

- | | |
|-------------------------------|-----------------------------------|
| Banque Bruxelles Lambert S.A. | Commerzbank Aktiengesellschaft |
| Daiwa Europe Limited | Goldman Sachs International Corp. |
| Leu Securities Limited | Merrill Lynch International & Co. |
| Swiss Volksbank | |

UK COMPANY NEWS

Wills hit by order delays

DELAYS in significant orders at CT Group, the marketing services division, accounted for a major portion of the downturn in taxable profit in 1987 at Wills Group, Surrey-based importer and exporter. Profits fell to £1.27m against £2.23m last time. Turnover also dropped, to £104.01m (£118.58m), as did earnings, to 6.7p (13.2p). In the light of the result and the necessity to preserve a prudent level of capital and reserves, the directors recommended a decreased final dividend of 2p (4.4p adjusted) to make a total for the year of 4p (6.4 adjusted).

Mr Christopher Spence, chairman, said that, subject to no unforeseen circumstances, the directors intended to restore the total dividend for the current year to the previous level.

About 60 per cent of the Wills equity was acquired in November by Australian Investment Corporation, a quoted Australian investment company, and associated which are part of Tyndall Holdings, investment and fund management company.

H&C stake transferred

A 7.2 PER CENT stake in Harrison & Crossfield held by Permodalan Nasional Berhad, the Malaysian government investment agency, is to be transferred to Sime Darby as part of a rationalisation exercise, writes Wong Sulong in Kuala Lumpur.

Sime said it would issue 109.15m new shares to PNB in exchange for the 9.926m shares of H&C, valuing the deal at \$50.5m with the exchange. PNB will increase its stake in Sime from 7 per cent to 16 per cent.

Sime said it is buying the H&C stake as a long term investment. London-listed H&C is involved in chemicals, industrial manufac-

BOARD MEETINGS

| Company | Date |
|------------------------|--------|
| Advent | Apr 14 |
| Canal | Apr 28 |
| Castle Communications | Mar 29 |
| ICI Computers | May 3 |
| Waste Partners | Apr 20 |
| Brylcreem Int'l | Apr 18 |
| Burnham Oil | Apr 17 |
| Crampin TV | Apr 21 |
| Kay Robinson & Gardner | Apr 19 |
| New London Properties | Apr 14 |
| Rayson | Apr 14 |
| Suburban | Apr 8 |
| Thames Holdings | Apr 11 |
| Waco | Apr 11 |

Norman Hay up 53% to over £1m

Norman Hay, electro-plating and anodising company, reported a 53 per cent jump in pre-tax profits from £267,000 to £408,000 for 1987 with second-half profits of £276,000 against £149,000.

The directors said that progress in traditional metal plating activities had been good, particularly Borough Plating where demand had led to significant increases in both turnover and profitability.

A final dividend of 3.3p (2.71p) is proposed for a total of 5p (4.1475p). Earnings increased 83 per cent to 18.5p (10.6p).

Turnover for the year was 20 per cent ahead at £7.68m (£6.4m) and Mr Hay said current trading continued to perform satisfactorily.

The group recently acquired two Midlands-based competitors in plastics and metal finishing. Also, towards the end of 1987 Plastcraft, a West Midlands ventilation and industrial plant manufacturer, was bought.

Pre-tax result was after net interest received of £96,000 (£102,000). Tax took £373,000 (£244,000).

David Lascelles examines Equiticorp's break-up of Guinness Peat

Paddling their canoe out of troubled waters

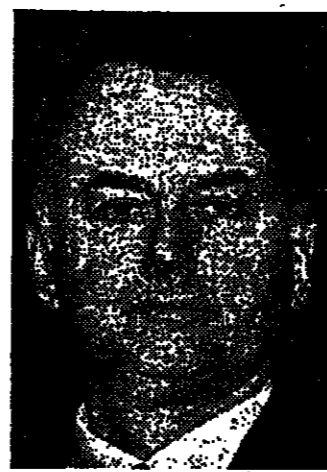
Guinness Peat Group (GPG), the City-based financial services group, has undergone many upheavals in its time. But it may now be heading for its last. The group's new owner, Equiticorp of New Zealand, is proposing to break it up into three bits and float them separately on the London Stock Exchange in May in a complex demerger exercise.

This could well be the happiest destiny for this widely diversified company whose interests span banking, fund management, stockbroking, insurance and aircraft leasing, but whose internal logic has often proved elusive.

But Equiticorp, with its aggressive reputation, is also having to fend off suggestions that the whole exercise is intended to enable it to dispose of the best bits and realise much-needed cash.

Last year, Equiticorp - headed by Mr Allan Hawkins - bought 61 per cent of GPG and in the process ousted Mr Alastair Morton, the tough-minded chief executive who rescued it from near-failure in 1983 and tried to hammer it into a coherent group. The other major shareholders are Mr Robert Maxwell, the publisher, with 14.5 per cent, and Lord Kelvin, the founder, with 5.4 per cent.

Equiticorp proposes to divide GPG into three parts. The first will consist of Guinness Mahon, the merchant bank with its related investment management



activities. The second will be Fenchurch, the insurance broker, and the third will consist of GPG's offshore activities, including its fund management and personal benefits operations in the US, and its 21.4 per cent stake in Guinness Peat Aviation.

According to Mr Geoffrey Bell, the merchant banker and economist brought in by Equiticorp to be the group's executive deputy chairman, the demerger will allow the separate parts to "paddle their own canoe", and perform much more effectively as independent entities, and link effort and reward more closely through share option schemes.

There will also be substantial savings through the reduction of central costs amounting to £2m, some of which are duplicated in the subsidiaries.

In his view, there is insufficient synergy between the various parts of the group to justify keeping them together, and he has already embarked on a major cost-cutting exercise which has included cancelling subscriptions to the opera and may extend to redundancies.

But Equiticorp's motives have been questioned by other merchant bankers and analysts who say that the New Zealand group incurred excessive financing costs to buy its GPG stake, and is now embarking on a classic asset stripping exercise.

They point to its losses in last October's market crash, and its

But even if Equiticorp does intend to sell a portion of its shares in the new entities, it is unlikely to realise a profit unless there is a major market upturn in the near future.

Equiticorp bid 115p for GPG shares last October. Recently they have been trading in the low 80s. According to various calculations that have been made by securities analysts at BZW and Morgan Grenfell, the aggregate value of the three new shares is likely to be 85-100p. This represents an increase of about 20 per cent, but would still not be enough to bring Equiticorp a profit.

The demerger would, however, give Equiticorp the option of reducing its stake in individual parts of the group if it wished, and in that respect, the break-up gives it greater flexibility.

However, part of the problem is that market perceptions of the value of the GPG components are not currently very strong. Guinness Mahon has been through a troubled period when it has lost senior staff, and its profit potential does not look exceptional.

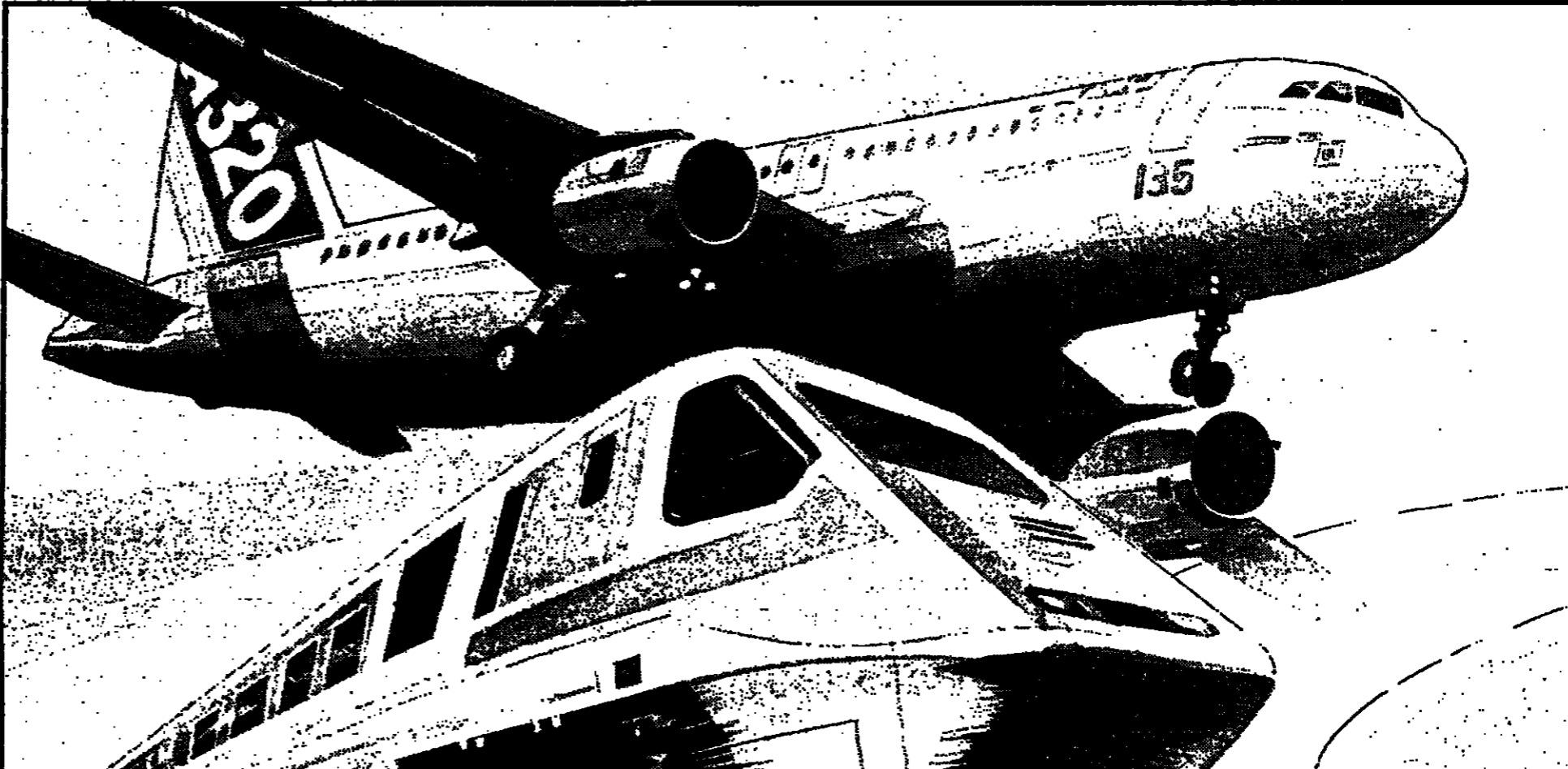
"There's not much hidden value there", says a merchant banker who points out that the mystique which once attached to accepting houses like Guinness Mahon has long gone. Mr Bell, however, says he intends to develop the bank, particularly on the private banking side, drawing on his close business connections with Latin America.

Although Fenchurch has been successful, the whole UK insurance broking sector is under intense competitive pressure at the moment, and the market ascribes no special value to it. Potentially the most lucrative part of the business is the offshore group, but the bulk of its earnings is in US dollars which creates a serious currency risk.

There has even been speculation that Mr Morton, who is now running Eurotunnel, might himself launch a bid for GPG's parts when they float. But he laughs at the suggestion. "The very busy with the Channel Tunnel," he says.

Mr Hunt expects to have the demerger details ready by April 26, for completion in late May. Equiticorp has obtained Inland Revenue clearance for the exercise, and is supplying the Stock Exchange with information for the new listings.

Mr Bell has also been visiting GPG's bankers to explain the proposals and renegotiate the covenants on its financing lines. The actual demerger will be accomplished by paying GPG shareholders a dividend in the form of shares in the new companies. One unexpected benefit was the Chancellor's decision to abolish capital duty in his Budget. This will save GPG about £2m, estimates Mr Bell, which is enough to pay for nearly all the demerger costs.



GRANVILLE

SPONSORED SECURITIES

| Company | Price | Change | Yield | P/E |
|------------------------------|-------|--------|-------|------|
| 6572 Aet. Bril. Ind. Div. | 105 | - | 8.9 | 4.7 |
| 6574 Aet. Bril. Ind. CVL5 | 195 | - | 10.0 | 5.1 |
| 700 Avestage and Bland | 28 | - | - | - |
| 6524 SBS Design Group (USM) | 25 | 0 | 2.1 | 3.7 |
| 181104 Savan Group | 120 | 0 | 7.7 | 27.1 |
| 7983 Brylcreem Int'l | 138 | 0 | 4.7 | 3.4 |
| 910 CCL Group (USM) | 260 | 0 | 11.5 | 4.4 |
| 1425 CCL Group 11% Corp Pref | 125 | 0 | 15.7 | 22.1 |
| 14259 Cartersons Int'l | 130 | - | 5.4 | 4.2 |
| 707 Cartersons 7.5% Pref | 101 | 0 | 10.3 | 10.2 |
| 3875 George Blair | 210 | - | 4.7 | 1.8 |
| 4219 Ido Invest | 43 | - | - | - |
| 9374 Jackson Group | 90 | - | 3.4 | 3.8 |
| 26044 Multihouse N.V. (USM) | 334 | - | 10.4 | 3.1 |
| 428 Robert Lemire | 45 | 0 | 1.5 | - |
| 5580 Scripps | 120m | 0 | 5.5 | 4.4 |
| 5425 Terlay & Carlisle | 198 | - | 6.6 | 3.3 |
| 2840 Treston Holdings (USM) | 46 | - | 2.7 | 4.2 |
| 6185 W. S. Yates | 285 | - | 16.6 | 6.3 |

Securities designated (USD) and (USM) are dealt in subject to the rules and regulations of The Stock Exchange. Other securities listed above are dealt in subject to the rules of FIMBRA.

Granville & Company Limited
11 Lower Lane, London EC3R 9SP
Telephone 01-621 1212
Member of FIMBRA

Granville Davies Coleman Limited
6 Lower Lane, London EC3R 9SP
Telephone 01-621 1212
Member of the Stock Exchange

Ente Nazionale per l'Energia Elettrica (ENEL)

£100,000,000

Guaranteed Floating Rate Notes 1993
guaranteed as to payment of principal and interest by

The Republic of Italy

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three month period 24th March, 1988 to 24th June, 1988 has been fixed at 8 1/4% per cent. per annum. Coupon No. 18 will therefore be payable at \$561.65 per coupon from 24th June, 1988.

S. G. Warburg & Co. Ltd.
Fiscal Agent

U.S.\$75,000,000

EAB FINANCE N.V.
(Incorporated with limited liability in the Netherlands/Antilles)

Guaranteed Floating Rate Notes Due 1993
Guaranteed on a subordinated basis as to payment of principal and interest by

European American Bancorp
(Incorporated with limited liability in New York, U.S.A.)

Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the six months from 28th March 1988 to 28th September 1988 the Notes will carry an interest rate of 7 1/4% per annum. On 28th September 1988 interest of U.S.\$188-47 will be due per U.S.\$5,000 Note for Coupon No. 11.

EBC Amro Bank Limited
(Agent Bank)

28th March 1988

1988 INTERIM RESULTS

SALES £976M UP 8%

PRE-TAX PROFIT £53M UP 32%

EARNINGS PER SHARE 30-2p UP 32%

ALL SYSTEMS ARE GO

... including our braking systems, which stop all types of vehicles safely and efficiently.

So too are our advanced flight control systems, our diesel injection systems, our engine management systems and our electronic control systems.

All at the leading edge of world technology. All made by a company which is in good shape.

You can see how good in our Interim Results.

Lucas today is more adaptive, competitive and successful than for many years. And more broadly based - in the aerospace, automotive and industrial markets of the world.

Lucas systems - going for the 1990s.

Lucas
AEROSPACE-AUTOMOTIVE-INDUSTRIAL SYSTEMS AND COMPONENTS

FINANCIAL TIMES SURVEY

Innovations abound in all sectors of retailing technology, with the result that businesses which do not remain technologically-aware, amid strong competitive pressures, will eventually be forced into the sidelines in an increasingly electronic marketplace, says Alan Cane.

The store of tomorrow

AN ARRAY of powerful technologies exists today to help create "the store of tomorrow," yet retailers are showing a healthy reluctance to embrace too large a slice of the electronic future too rapidly.

The overriding impression is of an industry moving forward steadily but cautiously, testing each innovation carefully for benefit as it goes.

"Retailers are still struggling with the problems of the EPOS rather than those of the 1980s," according to Mr Austin Bendall, a consultant with Coopers & Lybrand, specialising in retailing automation. "For a long time, it was not obvious to them that they should be investing in technology."

"They are extremely sensitive about any developments at the point of sale which could affect their customers," according to Dr Elizabeth Mandeville, research manager for the Retail Management Development Programme (RMDP). "Retailers will not rush to innovate there without very careful testing."

Innovation, nevertheless, is being carried forward cautiously on three broad fronts: "electronic money", the "electronic shop window" and "the computer-integrated store".

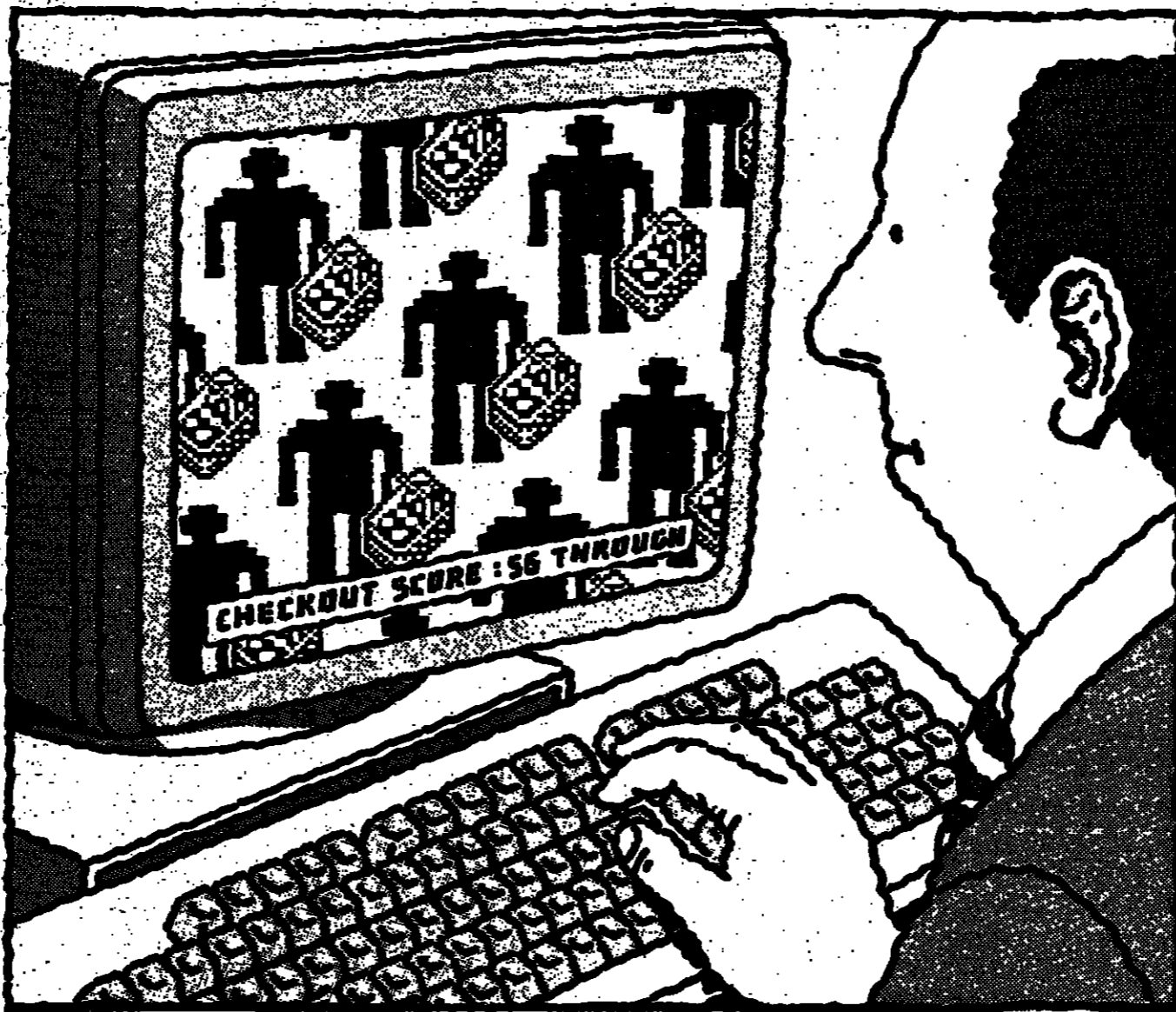
Electronic money means, chiefly, electronic funds transfer at the point of sale (Eftpos) and the smart card.

Eftpos is a sleepy leopard whose spots have changed substantially over the past few years. Originally a technologist's dream involving the instantaneous movement of money from buyer to seller at the moment of sale, it has been refined over the years to match the business needs of banks and retailers, yet it still lacks charisma.

Dr Mandeville of the RMDP says research suggests that consumers are not so much hostile to Eftpos as apathetic. Mr Simon Brodie of Coopers & Lybrand agrees, arguing that in the UK "it lacks a champion and we are probably doomed to a multiplicity of solutions."

And that would seem to be true for Eftpos worldwide. A report from Post News, a UK-based market research company gloomily suggested last year that Eftpos was taking so many different directions in different parts of the world that there was little chance of the equipment involved ever being made in sufficient volume for prices to become attractively low.

In the UK, however, while banks and building societies are



Playing the retailing technology game: the stakes and risks are high

Retailing Technology

pressing ahead with their own Eftpos trials, the focus of interest has become the progress of the national scheme now being implemented by Eftpos UK, a company set up by 11 clearing banks and (so far) three building societies, to manage the scheme.

Brian Allison, Eftpos UK managing director, says that developments are on schedule: "We are firing on every conceivable cylinder."

Already a number of banks have taken delivery of special software enabling them to connect into the national system.

According to Mr Allison, the inaugural service, designed to test every aspect of the national system, will now go live in the

spring of 1989.

Major worries for all organisations developing electronic money transmission systems are the security and integrity of the transmission mechanism. The "smart card", developed in France, and promoted there and elsewhere as an electronic cheque book, offers one solution to the problem of less than perfect telecommunications systems.

Containing a complete micro-computer within dimensions no greater than those of a conventional credit card, the smart card can be "charged" with electronic credit which is depleted as the card is used. It can function, furthermore, without the need for a counter terminal connected

on-line to a central computer. It has adequate computing power and memory to carry out calculations to prove it is a valid card and to record every transaction for which it is used.

Recently Visa, the credit card organisation, announced it is carrying out trials with the "super-smart card," a smart card which incorporates a keyboard and minute liquid crystal display, turning it into a complete portable computer. If successful, the trials could point the way to the Visa card of the future.

Smart cards are being tested in the US chiefly as security devices, allowing entrance to restricted premises. In the UK, while banks are following their

development closely, only Midland Bank among the clearers has tried a small scale experiment in their use as electronic money.

The electronic shop window embraces all the various uses of video in retailing. Some are apparently quite trivial yet can have powerful marketing significance. The "magic mirror" for example, pioneered in the US and involving video techniques to display an image of the customer upon which can be superimposed clothes, jewellery, make-up and so on.

Teleshopping is another example. The idea of shopping by telephone after sifting through goods displayed on a television screen

| | |
|--|---|
| Electronic point of sale systems (Epos): big benefits offered. Worldwide growth in electronic funds transfer: the quest for standardisation. | 3 |
| Views on Eftpos retailers' caution; enthusiasm for pilot schemes in banking and finance. | 2 |
| Choosing computers for smaller businesses: plenty of pitfalls. | 2 |
| Scanners: Europe trails the US. Electronic shelf-labelling: supermarkets wait and see. | 3 |
| Integrated systems: Eftpos software is a key development area. | 3 |
| Graphics: Bob Hutchinson; Illustration, page one: Ellis Nadler. | |

has always proved better in theory than in practice.

Now some see it as the "shopping machine" the logical replacement for today's mail-order systems dependent on "Nellie down the corridor" selling to her friends and relations.

By the end of the year, a study being carried out in the UK by management consultants Coopers & Lybrand in conjunction with the design consultancy Finch and the Oxford Institute of Retail Management at Templeton College should give indications of the potential for shopping at home using telecommunications technology.

In the meantime, tele-shopping trials have chiefly been designed for the benefit of the aged and infirm. The most recent, the Asda Teleshop, is based in London's Dockland's area, aims to enable the elderly and disabled to make purchases, using simple computer equipment based in data centres, sheltered housing and community centres.

The "computer integrated store" represents a high point in retail automation. It implies the use of electronic point of sale systems, coupled to the electronic transmission of trading documentation between retailers, wholesalers and manufacturers.

Research carried out by management consultants, Arthur Andersen, discovered: "Customer service, price image, niche marketing, focusing on local needs and the effective use of information are key elements in achieving competitive advantage."

If it were possible to revert to the ways of the past, retailers would gain significant competitive edge through being able to offer improved customer service and to target specific markets, says the consultancy - a return to traditional values, in fact.

In a world where new competitive pressures and economies of scale militate against them, "the store of the future will represent a step in to the past. But to achieve this cost-effectively, it will be necessary to employ advanced technology to simplify operations by sorting through unnecessary information, satisfying individual customers with targeted marketing and unique customer services - and restoring responsibility to the store manager."

Epos, the computer in the cash till, connected to the computer in the store, connected - in turn -

to the computer at headquarters, is very much the key to the whole process.

ICL, the UK-based mainframe computer manufacturer, which claims a leadership position in the UK Epos market has published figures suggesting that "the penetration of Epos equipment in the UK retail sector will be spectacular, with large and medium-sized retail organisations accounting for the bulk of this growth."

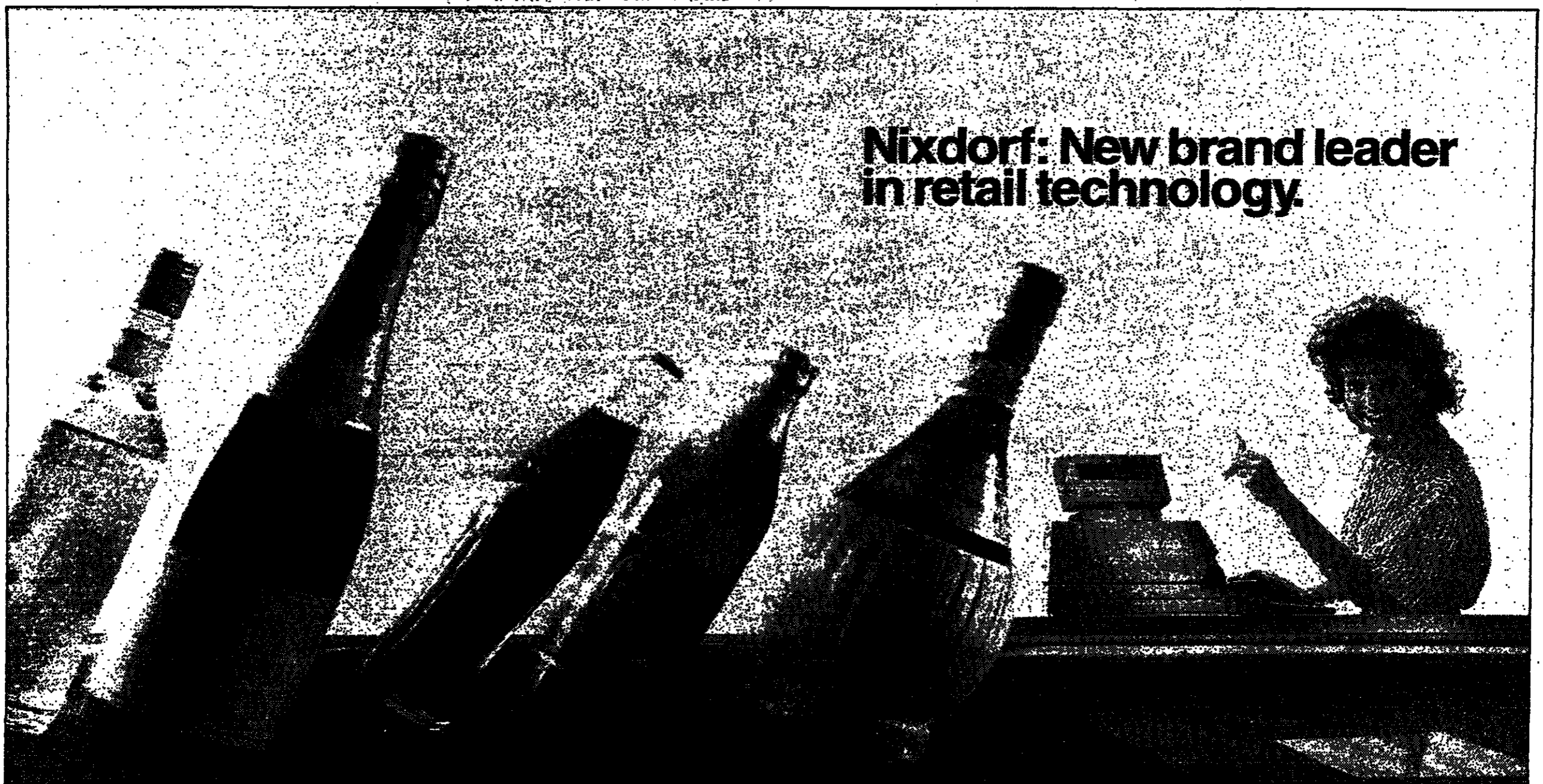
It suggests that the total population of 58,000 Epos terminals installed in 1988 will grow to 410,000 by 1993. All the major mainframe computer manufacturers - IBM, ICL, DEC, NCR and Unisys are now offering equipment for retail automation.

Dr Mandeville of the RMDP has identified a trend among these vendors to provide "one-stop shopping" for their customers. Conventionally, retailers purchased a mainframe from one supplier, Epos systems from another and the communications and software to put the whole system together from others.

The resulting confusion of sometimes incompatible equipment had a powerful effect in slowing down the speed with which systems were implemented. Now alliances are being formed between suppliers so that complete systems can be offered. DEC, for example has agreements with Nokia and Thorn EMI for the supply of counter terminals and with a host of software suppliers for the computer programs to link the whole system together.

Such alliances should remove at least one of the retailer's traditional objections to investing in technology. Indeed, in areas like Eftpos and Epos, they are today likely to be wholehearted converts with only the cost of the equipment and the evidence of return on investment standing between them and enthusiastic adoption.

On both counts, time and technology is on their side. The cost of retailing equipment seems set to fall dramatically with advances in semiconductors, especially on the memory side. Meanwhile, a growing body of evidence, much of it outlined in this survey, indicates that the retailer who does not stay technologically-aware will be condemned to the sidelines in an increasingly electronic marketplace.



Nixdorf: New brand leader in retail technology.

Advanced technology, quality and commitment to service are making Nixdorf the natural choice for major retailers all over the world. Last year alone, our UK orders in the retail technology marketplace more than doubled - and three of Britain's top four wholesalers rely on Nixdorf systems. Today, we're the clear European leader in business information systems.

Why? Because at Nixdorf, we

have the right technology for retailers.

Technology that offers the edge in competitive pricing and customer throughput. Technology that achieves faster stock-turn, finer product mix and more effective in-store promotions. Technology that's easy to operate - and very reliable. Above all, technology that makes retailing work better, without making retailers change the way they trade.

Others might impose pre-packaged systems, but we always supply complete solutions precisely tailored to meet individual needs. Fully integrated, totally compatible hardware and software - and the widest range of peripherals available from a single source.

Our networking expertise guarantees Nixdorf products will work with all leading mainframe systems - current and future. And our unrivalled support services

ensure the business is always in business.

The result: more precise stock-taking, tighter security, smoother work-flow, enhanced profitability, better informed management - and happier shoppers.

Naturally, we think the customer is always right. After all, ours are...

Nixdorf Computer Limited
125-135 Staines Road, Hounslow
Middlesex TW3 3JB. Tel: 01-570 1888

Please send me more information about Nixdorf retailing systems

Name _____

Position _____

Company _____

Address _____

Telephone _____

German reliability matched by British know-how

NIXDORF
COMPUTER

RETAILING TECHNOLOGY 3

Machines now being developed will be cheaper and more reliable

Scanners: trailing the US

THE FIRST supermarket check-out with a bar code scanner was a Marsh store in Troy, Ohio, in 1971. The scanner was developed off in the US during the late 1970s and early 1980s, and more than half of American checkout lanes now use scanners.

The UK and Europe were about five years behind the US with the adoption of scanners. The first British installation was at a Keymarkets supermarket in Spalding in 1979, and the total number of UK stores with at least one scanning lane passed 1,000 late last year.

But the proportion of goods scanned at the point of sale is still only six per cent of retail volume.

More than 99 per cent of grocery items now carry a bar code - a series of lines and spaces of varying width which represent the 14-digit (or sometimes 8-digit) number assigned to the item. The code is an arbitrary reference number and is not intended to contain information about the product such as its country of manufacture or its recommended price.

In the UK, codes are administered by the Article Numbering Association (ANA) in accordance with the International EAN system.

A scanner "reads" the code by passing a small beam of light across it and detecting the distribution of bars and spaces reflected back. A microprocessor converts this pattern into a number, which is instantly transmitted to the store's computer. The product's price and description are then shown on the checkout display panel and simultaneously printed on the shopper's till receipt.

The cheapest hand-held scanners are light pens costing less than £200, which have to be moved physically across the bar code.

Faster and more accurate hand-held scanners incorporate a system for moving a laser beam automatically across the code, so the operator only has to point the scanner in the right general direction to obtain a reading. These cost about £1,000.

Hand-held scanners are usually adequate for department stores and specialist shops where the assistants do not handle large

'Shop of the Future'

A fully operational "Shop of the Future" is being created in the latest retailing systems in the UK will be a key feature at the Computers in Retail and Retail Technology Show, (CIB+RT '88) at the Brighton Metropolitan Exhibition Centre, from March 29-31.

which sweep rapidly across the scanning window at varying angles.

The IBM 9887 scanner, developed in the late 1970s, was claimed to be the first commercial application of holography, the technique of using three-dimensional images.

Fujitsu, the Japanese company which supplies scanners for the check-out terminals made in the UK by ICL, also adopted holography. But Spectra-Physics of the US, which makes scanners for Aldford, Egan-Sweda, Deichmann and other terminal manufacturers, uses a prism and mirrors to split the laser beam, and so does NCR, which makes its own scanners.

A dozen companies sell retail scanning terminals. The UK market leader is ICL, which is supplying Sainsbury's. Jeremy Grindie, the Sainsbury's director responsible for new technology, says his company has so far spent more than £40m on its scanning programme; 157 of the 280 supermarkets in the chain are now scanning and the programme will be completed by 1990.

180 Tesco stores.

The leading US manufacturers of retail systems have had less success in the UK scanning market than on their home territory. IBM's largest UK orders have come from Asda and Argyl Stores (Safeway).

NCE has found the UK particularly disappointing in contrast to Continental Europe where its scanners have sold well.

Manufacturers claim that modern scanners will read a bar code successfully on the first pass 98 per cent of the time - though my experience as a regular shopper at a scanning supermarket suggests that in practice the proportion is considerably lower.

Although food companies are improving the clarity of the bar codes on their packages, soft and irregularly shaped items such as crisp packets are still troublesome.

At the moment, a particular Easter egg is causing confusion because it contains several chocolate bars with codes on their individual wrappers, which can be seen through the outer package. Supermarket scanners are reading both the code on the outside of the Easter egg and the codes on the chocolate bars inside.

Jeremy Grindie says Sainsbury's is finding its scanning systems extremely reliable. There have been almost no store-wide failures of the entire system, and of the 4,000 individual scanning lanes the number out of action on any given morning is almost always in single figures.

The basic technology of retail laser scanning is now well established, and the most significant advances are taking place out

of sight of the shopper, in the computer systems which process information from the checkout terminals for financial and stock control.

In terms of the scanner itself, the main trend is towards smaller units. Manufacturers are developing "slimline" scanners for the European market where check-out assistants are normally seated - in contrast to US supermarkets where assistants stand and bulky units are therefore more acceptable.

Spectra-Physics has recently designed a miniature fixed laser scanner to replace hand-held scanners in non-food stores. This "freehand scanner" can be mounted horizontally or vertically wherever is most convenient on the sales counter.

It is now being tested at Bloomingdale department stores in the US and is likely to be introduced in Europe around the end of this year.

According to Mr Jay Harter, international marketing manager of Spectra-Physics, the next major advance in scanning technology will be the replacement of today's gas lasers by solid-state semiconductor lasers.

This is not possible yet because at present semiconductor lasers do not emit light of the correct wavelength to read printed bar codes efficiently.

But Mr Harter says it is only a matter of time before a suitable semiconductor laser is developed, and then retail scanners will become even smaller, cheaper and more reliable.

Clive Cookson

Computer/communications systems

Gaining a market edge

COMPUTER AND communications systems are being installed which will radically alter both the customer's and the retailer's view of shopping.

Electronic funds transfer (EFT) networks, "intelligent" credit (or debit) cards and "pro-active" retailing all promise to change the face of the High Street (or out-of-town superstore) beyond recognition.

Unicom, which is organising an international seminar on Information Technology in Retailing in London next month, estimates that as much as \$3,300m was spent on all types of technology last year by retail organisations to both update their operations and gain a market edge.

Software is a key component in all of these developments. It underpins the Eftpos networks to effectively move money around. It provides systems to monitor inventory levels. And, increasingly, software systems are being used to model and plan retail operations.

It is this area of planning where some of the most exciting developments are taking place. "Typically, large retail groups have applied computer technology to accounts first."

Then they have moved into computerised distribution, and then finally into point-of-sale systems," says Michel Kahn, sales and marketing manager of the Thorn EMI software subsidiary Software Sciences. "But what is lacking is integration."

Mr Kahn argues that the role of retailing has changed from a reactive one to a pro-active one. Retailers in the 1980s must not only make sure the goods are on the shelves, but also make sure they are the right goods and that they are there at the right time.

In the same way that financial institutions such as banks and insurance companies have done, retailers have recognised that information technology can not only help them operationally, but also in gaining a marketing edge.

Eftpos software is the key development area

"Very few retailers actually plan for profit - the very thing that they are in business to do, and they don't do it," Mr Kahn says. The way to improve profitability, he believes, is to plan the retail operation from the beginning, with computer technology in a crucial, central role.

"We stood back and thought about what components are needed to make profit and how we could use information captured at the point of sale to go through to a review of the operation once it is in place," Mr Kahn says. Software Sciences uses a combination of existing software tools, like the PCS decision-support system marketed by its sister company Thorn EMI Computer Software, and more innovative ones - such as knowledge-based or expert system tools.

The systems are sold under the umbrella product name of Merchant 38 as a complete service embracing both consultancy and

retail operations like supermarket inventory control systems used by motor manufacturers.

However, the role of software in the modernisation of retailing is not restricted merely to planning operations for the retailers themselves. In a few years' time, shoppers could well be carrying a piece of software around in their wallets - although they may well be unaware of the fact.

Roy Bright, managing director of the UK subsidiary of the US company Smartcard International, sees a time in the near future when the present credit or debit card will be replaced by an "intelligent" card.

"We are now seeing cards emerging with a combination of a magnetic stripe and a chip with as much as 84,000 bits. These cards can carry programs as well as data. This means that a running balance can be encoded on to the card and become almost the equivalent of a miniature personal computer."

These active cards can include a liquid crystal display (LCD) and a miniature keyboard. "This offers interesting opportunities because you don't need a terminal to read it," Mr Bright says.

Smartcard International already has a version of this type of device called an Ultracard, and although it is relatively expensive compared with the traditional magnetic stripe card, the overall costs are reduced because there is no need for a special terminal to read it.

Philip Manchester

Electronic shelf labelling Supermarkets wait and see

FROM THE shopper's point of view, the next visible advance in retailing technology is likely to be the introduction of electronic labels on supermarket shelves.

A handful of shops and supermarkets in Europe and North America have recently installed what is known in the trade as "electronic shelf edge labelling." This has replaced the traditional paper or plastic labels with liquid crystal displays (LCDs) which are linked directly to the store's computer and check-out scanners.

The main advantage of electronic labelling for the retailer is that prices and product information can be changed very quickly throughout a store or group of stores by entering the required changes on a central computer. New labels no longer have to be printed and physically attached to the shelves.

Two new companies have taken an early lead in marketing electronic shelf edge labels: Epsel Lanne in Europe and Telepanel in North America. Epsel Lanne is an offshoot of the French electronic components company Electronic R Paulmier, and Telepanel is a new Canadian company based in Toronto.

Their systems were developed independently and there are considerable differences between the two. The most obvious is that Epsel Lanne puts all product information on a liquid crystal display, while Telepanel looks more like a hybrid between traditional and electronic labelling, information that does not need to change, such as the product name, goes on a paper label attached to an LCD showing the current price.

Both systems draw shoppers' attention to special promotions and price cuts, and Telepanel can also display nutritional messages. However, both companies are willing to adapt their labels for particular needs.

A more fundamental difference between the systems is that Epsel Lanne labels are fixed to a low-voltage electronic track that goes round the shelves, while Telepanel has adopted a radio-controlled system. Telepanel labels are battery-powered and contain a miniature radio transmitter and receiver for communicating with the central computer.

The first large-scale Telepanel system was installed at a Loblaws supermarket in Toronto and the second is going into a Kroger store in a suburb of Dallas, Texas. The Loblaws system, which was completed last November, has about 8,000 electronic labels covering most of the supermarket's food areas.

Garth Aasen, Telepanel's marketing manager, says a survey of Loblaws shoppers showed "an extremely positive reaction."

They liked the look of the electronic labels and felt confident that they would show the correct price.

Epsel Lanne systems have been installed in four stores in France, and one each in Sweden and Norway, according to Mr John Baxter, the company's UK manager. The largest is at the Casino store in St. Etienne near Lyon, which has 7,500 electronic labels. The first British trial is at the Makro cash-and-carry warehouse in Leeds, where the system is being linked to Avery electronic scales and EPOS systems.

Mr Alan Brunton of Makro says about 1,000 items in the Leeds store are being given electronic labels. The system is about to start working, and Makro will monitor its performance for at least two months before deciding whether to instal Epsel Lanne labels throughout the company's 14 UK stores.

The full productivity benefits of electronic labelling will only come when the system is working in a chain of stores, and a single computer command from head office can change prices on the shelves throughout the group.

Epsel Lanne is confident about winning substantial UK orders and John Baxter says the company is already preparing to set up a manufacturing plant in North East England. At the same time Mountain Largo, a Darlington company, is about to produce supermarket shelving that incorporates an electronic track for Epsel Lanne labels.

The cost of installing electronic shelf edge labels in a large supermarket runs into six figures. But a study by the accountants Touche Ross for Loblaws in Toronto showed that the system would pay for itself within two years - mainly through saving labour on printing and changing labels.

Most of the large supermarket chains are now looking at electronic shelf edge labelling, though few seem ready to take the plunge quite yet.

Mr Jeremy Grindie, who looks after new technology for Sainsbury's, the chain that has led the introduction of check-out scanners in the UK, says "My own view is that this labelling is still too expensive, and the technical reliability has not yet been proved."

But Garth Aasen of Telepanel sees electronic labelling as a \$2bn market in North America, and even though Telepanel and Epsel Lanne are well protected by patents, it seems certain that many more companies will soon be supplying computerised labels.

Clive Cookson

If we only made cash registers, Britain would still be a nation of shopkeepers.

*UNIX is a trademark of AT & T Bell Laboratories.



From a single outlet to a national multiple operation, from point of sale to centralized processing, our computer systems are leading the retail revolution. We offer a range of high quality, high technology hardware and software solutions - including specialist software packages - for any size and type of business.

From the UNIX* based Tower family to the fault tolerant V9800; from retail terminals to networked PCs; this expertise, backed by our experience as a major computer manufacturer, financial stability, comprehensive customer service and support, and commitment to industry standards, ensures long term protection of our

customers' investment.

So if you're in the market for computer systems, remember that it pays to shop around.

Get in touch on 01-724 4050.



Creating value

LONDON RECENT ISSUES

Table of Fixed Interest Stocks with columns for Issue Price, Amount Paid, Latest Issue Date, and Stock Name.

Table of Equities with columns for Issue Price, Amount Paid, Latest Issue Date, and Stock Name.

Table of 'RIGHTS' OFFERS with columns for Issue Price, Amount Paid, Latest Issue Date, and Stock Name.

Small Business

The Financial Times proposes to publish this survey on: 22nd April 1988. For a full editorial synopsis and details of available advertisement positions, please contact: Brett Trafford on 01-248 5116.



When prices matter — Finstat delivers the FT prices online, Unit Trusts, Equities, Gilts, Indices. Daily to your desktop computer.



To find out how to get the prices that mean business, contact Robbin Ashcroft at Finstat on 01-985 8888.

FT CROSSWORD No.6,592 SET BY QUARK

Crossword puzzle grid with numbered squares and clues.

- ACROSS: 1 Free enterprise policy F.A. realizes is changing (7-5). 2 A man is on top of mathematical theory (old one) (7). 3 Firm spreads round the coastal town (8).

AUTHORISED UNIT TRUSTS

Large table listing various unit trusts with columns for Name, Issue Price, Amount Paid, Latest Issue Date, and Stock Name.

FT UNIT TRUST INFORMATION SERVICE

FT UNIT TRUST INFORMATION SERVICE

Main table containing numerous columns of unit trust information, including fund names, providers, and performance metrics.

OFFSHORE AND OVERSEAS

MANAGEMENT SERVICES

Handwritten signature and additional notes at the bottom of the page.

FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service listing various unit trusts, their managers, and performance metrics.

LONDON SHARE SERVICE

BRITISH FUNDS

Table of British Funds listing fund names, managers, and performance data.

BRITISH FUNDS - Contd

Continuation of British Funds table.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails listing international investment options.

INT. BANK AND O'SEAS GOVT STERLING ISSUES

Table of International Bank and Overseas Government Sterling Issues.

CORPORATION LOANS

Table of Corporation Loans.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans.

LOANS

Table of Loans.

AMERICANS

Table of American investment options.

Money Market Trust Funds

Table of Money Market Trust Funds.

Money Market Bank Accounts

Table of Money Market Bank Accounts.

Table of Money Market Bank Accounts (continued).

Handwritten note: 0.1100/1504

LONDON SHARE SERVICE

AMERICANS - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

CANADIANS. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

BANKS, HP & LEASING. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

BEERS, WINES & SPIRITS. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

BUILDING, TIMBER, ROADS. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

BUILDING, TIMBER, ROADS - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

CHEMICALS, PLASTICS. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

DRAPERY AND STORES. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

DRAPERY AND STORES - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

ENGINEERING. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

DRAPERY AND STORES - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

ELECTRICALS. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

ENGINEERING - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

ENGINEERING - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

INDUSTRIALS (Miscel.) - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

ENGINEERING - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

INDUSTRIALS (Miscel.) - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

INDUSTRIALS (Miscel.) - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

INDUSTRIALS (Miscel.) - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

INDUSTRIALS (Miscel.) - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

INDUSTRIALS (Miscel.) - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

INDUSTRIALS (Miscel.) - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

INDUSTRIALS (Miscel.) - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

INDUSTRIALS (Miscel.) - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

INDUSTRIALS (Miscel.) - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

INDUSTRIALS (Miscel.) - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

INDUSTRIALS (Miscel.) - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

INDUSTRIALS (Miscel.) - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

INDUSTRIALS (Miscel.) - Cont'd. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

INSURANCES. Table with columns: Market, Share, Price, Div, Yield, Last, Bid, Ask, Spread, etc.

Handwritten signature or mark at the bottom of the page.

LONDON SHARE SERVICE

Handwritten scribble at the top center of the page.

INSURANCES - Contd. Table listing various insurance companies and their share prices.

LEISURE. Table listing leisure-related companies such as hotels and resorts.

MOTORS, AIRCRAFT TRADES. Table listing companies in the motor and aircraft sectors.

Commercial Vehicles. Table listing companies that manufacture commercial vehicles.

Components. Table listing companies that provide components for various industries.

Garages and Distributors. Table listing companies that operate garages and distribute goods.

NEWSPAPERS, PUBLISHERS. Table listing newspaper and publishing companies.

PAPER, PRINTING, ADVERTISING. Table listing companies in the paper, printing, and advertising sectors.

PAPER, PRINTING, ADVERTISING - Contd. Continuation of the previous table.

PROPERTY. Table listing real estate and property-related companies.

SHIPPING. Table listing shipping and maritime companies.

SHOES AND LEATHER. Table listing companies in the footwear and leather goods industry.

SOUTH AFRICANS. Table listing companies from South Africa.

TEXTILES. Table listing textile manufacturing companies.

TEXTILES - Contd. Continuation of the textile companies table.

TOBACCO. Table listing tobacco companies.

TRUSTS, FINANCE, LAND. Table listing companies in the trusts, finance, and land sectors.

TRUSTS, FINANCE, LAND - Contd. Continuation of the trusts, finance, and land table.

TRUSTS, FINANCE, LAND - Contd. Further continuation of the trusts, finance, and land table.

TRUSTS, FINANCE, LAND - Contd. Continuation of the trusts, finance, and land table.

TRUSTS, FINANCE, LAND - Contd. Continuation of the trusts, finance, and land table.

TRUSTS, FINANCE, LAND - Contd. Continuation of the trusts, finance, and land table.

TRUSTS, FINANCE, LAND - Contd. Continuation of the trusts, finance, and land table.

OIL AND GAS - Contd. Continuation of the oil and gas companies table.

OIL AND GAS - Contd. Continuation of the oil and gas companies table.

OVERSEAS TRADERS. Table listing companies that trade overseas.

PLANTATIONS. Table listing plantation companies.

MINES - Central. Table listing central mining companies.

MINES - Eastern. Table listing eastern mining companies.

MINES - Far West. Table listing far west mining companies.

MINES - Western. Table listing western mining companies.

MINES - Central African. Table listing central African mining companies.

MINES - Other. Table listing other mining companies.

OIL AND GAS. Table listing oil and gas companies.

MINES - Contd. Continuation of the mines table.

MINES - Contd. Continuation of the mines table.

THIRD MARKET. Table listing companies in the third market.

REGIONAL & IRISH STOCKS. Table listing regional and Irish stocks.

TRADITIONAL OPTIONS. Table listing traditional options.

CONSTRUCTION CONTRACTS

DIARY DATES



Expansion of London college

KYLE STEWART has been awarded a \$3.5m contract to construct a new Faculty of Basic Medical Sciences at Queen Mary College, East London. Work has started and will take two years to complete.

Office project in Cambridge

SIR ROBERT McALPINE & SONS has been awarded a \$5.2m contract by Cambridge Quayside, a joint company formed by Magdalen College and Trafford Park Estates. The contract is to design and build a four-storey retail and office development in Cambridge.



The Bridge shopping centre, Portsmouth

GEOFFREY OSBORNE has won contracts since the beginning of the year together with work over \$1m. At Portsmouth, construction has started on a retail scheme for Portsea Island Co-op. The company is undertaking the \$4.5m building main contract and will be awarded the \$2m fitting out contract.

Tottenham leisure centre

Tottenham is to get a multi-million pound sports, cultural and leisure centre close to the Broadwater Farm estate. M.J. GLEESON has started work on the \$13m construction of the complex at Tottenham Green, for the London borough of Haringey. It will take 29 months to complete.

£10 match for Alfred McAlpine

ALFRED McALPINE has won a total of almost £10m in contracts. For Alfred McAlpine Construction, contracts include: design and construction of six high-technology industrial units at High Wycombe, for Abievard, value \$2m; process plant foundations, drain ducts, design & construction of sub-station and analysis buildings for Fluor Daniel, Stanlow, value \$1.5m.

Osborne's refurbishment division is undertaking a \$205,000 contract at 16 Grosvenor Place, SW1, for Lynton Property & Reversionary. This contract is for the external cleaning and repairs on a Grade II listed building. The civil engineering division is constructing a 40 metres x 40 metres x 5 metres concrete reservoir for Southern Water Authority at Weeks Down, Winchester. Work on this \$450,000 contract started last month and is due for completion in February 1989.

Pumping station in north west

Five contracts together worth more than \$5.5m have been won by MOWLEM NORTH WEST, Bromborough, Merseyside. The largest, worth \$2.7m, is a pumping station complex for North West Water which forms part of the \$170m Mersey Estuary pollution alleviation scheme. The contract is for the design and construction of a screening plant, pumphouse and workshop at Regent Road, Liverpool, to be built over a 35 metre diameter pumphouse shaft constructed under a previous contract by Mowlem Civil Engineering. Work is due to start in May for completion in 20 weeks.

BHS store in Walthamstow

Three contracts, worth a total of \$2.5m, have been awarded to MYTON, a member of the Taylor Woodrow Group. The largest, worth \$2.2m, is for the fitting out of a store for British Home Stores in Walthamstow High Street, London E11. Work includes forming and fitting out 2,000 sq metres of sales area, a public restaurant, stockroom, offices and staff facilities, together with heating, ventilation and air handling, new goods lift and disabled chair lift.

PARLIAMENTARY

Today
Commons: Completion of remaining stages of Education Reform Bill.
Commons: Debate on report from select committee on community charges (registration) Scotland regulations.

Tomorrow
Commons: Remaining stages of Housing (Scotland) Bill.
Commons: Debate on report from select committee on community charges (registration) Scotland regulations.

Wednesday
Commons: Completion of remaining stages of Housing (Scotland) Bill.
Commons: Debate on report from select committee on community charges (registration) Scotland regulations.

Thursday
Commons: Adjournment for Easter Recess until April 12.
Commons: Debate on report from select committee on community charges (registration) Scotland regulations.

Friday
Commons: Debate on report from select committee on community charges (registration) Scotland regulations.

Trade Fairs and Exhibitions: UK

Current
Daily Mail Ideal Home Exhibition (01-222 9341) (until April 4)
London Secretary Show (01-727 1929)
Business Design Centre, London

April 13-15
Northern Retail Chemists' Exhibition (NORCHEM) (01-252 3585)
G-Mex Centre, Manchester

April 14-15
International Fire & Safety Exhibition and Conference - IFSEC (01-445 8211)
International Trade Fair (01-637 3153)
International Trade Fair for Clothing Textiles - INTER-STOFF (01-734 0543)

April 16-21
International Consumer Goods Fair (021-455 9600)
International Bulk Journal Bulkship '88 conference - what really lies ahead? (0306 887433)

April 17-18
The Economist Doing Business with the new Japan (01-839 7000)
Oracle Business Information: Financial reporting for general insurance companies

April 19-21
The Institute of Manpower Studies: Career management systems (0273 686751)
The Chartered Institute of Management Accountants: UK tax briefing - your company pays tax what do you know about it? Kensington Palace Hotel

April 22-25
Business Research International: Mortgage finance in the 1990's (01-637 4333)
Portman Hotel, London W1

April 26-28
The Industrial Society: Industrial relations for senior managers (01-839 4300)
3 Carlton House Terrace, London SW3

FINANCIAL

Table of financial data including company names, share prices, and market indicators. Includes sections for 'COMPANY MEETINGS', 'DIVIDEND AND INTEREST PAYMENTS', and 'SHARE PRICES'.

WORLD STOCK MARKETS

Handwritten scribble at the top center of the page.

Table of stock market data for Australia, Canada, France, Germany, Italy, Japan, and the UK. Columns include stock names, prices, and changes.

Table of stock market data for Canada, including Toronto and Montreal closing prices for March 25. Columns include stock names, prices, and changes.

Table of stock market data for Japan, listing various Japanese stocks and their prices.

OVER-THE-COUNTER

Table of over-the-counter market data, including Nasdaq national market closing prices for March 25.

Advertisement for 'Travelling on Business?' featuring a complimentary copy of the Financial Times and listing hotels in Milan.

INDICES

Table of financial indices including New York Dow Jones, Canada Toronto, and various international indices.

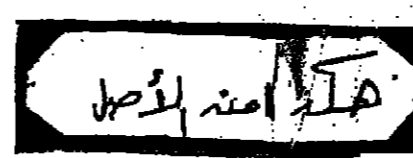
Advertisement for 'Have your F.T. hand delivered...' at no extra charge, provided by Helsinki & Espoo.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices, March 25

Main table of stock closing prices with columns for stock symbols, prices, and changes. Includes sub-sections for 12 Month High/Low, 100 High/Low, and various stock categories.

Continued on Page 41



NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices listing various stocks with columns for 12 Month High/Low, Stock Name, Price, and Change.

Table of AMEX Composite Closing Prices listing various stocks with columns for 12 Month High/Low, Stock Name, Price, and Change.

OVER-THE-COUNTER Nasdaq national market, closing prices, March 25

Table of Over-the-Counter (Nasdaq) national market closing prices for March 25, listing various stocks with columns for 12 Month High/Low, Stock Name, Price, and Change.

Advertisement for Athens (01) 7237167, Helenic Distribution Agency, featuring the logo for FINANCIAL TIMES and the slogan 'Have your F.T. hand delivered... at no extra charge...'.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Poor trade figures may solve problem of the strong pound

BY COLIN MILLHAM

SURPRISE AND worry were the general reactions to the UK trade figures for February...

provide a prop, but there is every indication the currency will now settle between DM3.00 and DM3.10.

when share prices were already looking vulnerable. Barclays de Zoete Wedd suggested the possibility of a bull trap in the currency market...

it seemed to suggest that British lorry drivers were more stupid than their foreign counterparts. This was not a theory Ms Brodie was prepared to accept.

Ms Brodie also commented that adding together the January and February deficits pointed towards a current account shortfall for the whole year of nearly \$9.5bn.

Morgan Grenfell's forecast for the year is a current account deficit of \$8bn.

STERLING INDEX

Table with columns for Date, Index, and Change. Shows sterling index values from March 25 to 27.

CURRENCY RATES

Table showing exchange rates for various currencies including US Dollar, Swiss Franc, and others.

CURRENCY MOVEMENTS

Table showing percentage changes in currency values for various countries.

OTHER CURRENCIES

Table listing exchange rates for currencies like the Australian Dollar, Canadian Dollar, and others.

FORWARD RATES AGAINST STERLING

Table showing forward exchange rates for various currencies against the pound sterling.

MONEY MARKETS

Table showing interest rates for various financial instruments like Treasury Bills and Bonds.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various countries.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table showing dollar spot and forward rates against the dollar.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies and maturities.

EXCHANGE CROSS RATES

Table showing exchange cross rates between various currencies.

NEW YORK

Table showing New York market data including Treasury Bills and Bonds.

LONDON MONEY RATES

Table showing London money rates for various financial instruments.

WEEKLY CHANGE IN WORLD INTEREST RATES

Table showing weekly changes in world interest rates for various regions.

LIBOR LONG GILT FUTURES OPTIONS

Table showing LIBOR Long Gilt Futures Options data.

LIBOR SHORT GILT FUTURES OPTIONS

Table showing LIBOR Short Gilt Futures Options data.

LIBOR EURO-DOLLAR FUTURES OPTIONS

Table showing LIBOR Euro-Dollar Futures Options data.

LIBOR STERLING FUTURES OPTIONS

Table showing LIBOR Sterling Futures Options data.

LIBOR DOLLAR FUTURES OPTIONS

Table showing LIBOR Dollar Futures Options data.

LIBOR EURO-DOLLAR FUTURES OPTIONS

Table showing LIBOR Euro-Dollar Futures Options data.

LIBOR STERLING FUTURES OPTIONS

Table showing LIBOR Sterling Futures Options data.

LIBOR DOLLAR FUTURES OPTIONS

Table showing LIBOR Dollar Futures Options data.

LIBOR EURO-DOLLAR FUTURES OPTIONS

Table showing LIBOR Euro-Dollar Futures Options data.

LIBOR STERLING FUTURES OPTIONS

Table showing LIBOR Sterling Futures Options data.

LIBOR DOLLAR FUTURES OPTIONS

Table showing LIBOR Dollar Futures Options data.

LIBOR EURO-DOLLAR FUTURES OPTIONS

Table showing LIBOR Euro-Dollar Futures Options data.

LIBOR STERLING FUTURES OPTIONS

Table showing LIBOR Sterling Futures Options data.

LIBOR DOLLAR FUTURES OPTIONS

Table showing LIBOR Dollar Futures Options data.

LIBOR EURO-DOLLAR FUTURES OPTIONS

Table showing LIBOR Euro-Dollar Futures Options data.

LIBOR STERLING FUTURES OPTIONS

Table showing LIBOR Sterling Futures Options data.

LIBOR DOLLAR FUTURES OPTIONS

Table showing LIBOR Dollar Futures Options data.

LIBOR EURO-DOLLAR FUTURES OPTIONS

Table showing LIBOR Euro-Dollar Futures Options data.

LIBOR STERLING FUTURES OPTIONS

Table showing LIBOR Sterling Futures Options data.

LIBOR DOLLAR FUTURES OPTIONS

Table showing LIBOR Dollar Futures Options data.

LIBOR EURO-DOLLAR FUTURES OPTIONS

Table showing LIBOR Euro-Dollar Futures Options data.

LIBOR STERLING FUTURES OPTIONS

Table showing LIBOR Sterling Futures Options data.

LIBOR DOLLAR FUTURES OPTIONS

Table showing LIBOR Dollar Futures Options data.

LIBOR EURO-DOLLAR FUTURES OPTIONS

Table showing LIBOR Euro-Dollar Futures Options data.

LIBOR STERLING FUTURES OPTIONS

Table showing LIBOR Sterling Futures Options data.

LIBOR DOLLAR FUTURES OPTIONS

Table showing LIBOR Dollar Futures Options data.

LIBOR EURO-DOLLAR FUTURES OPTIONS

Table showing LIBOR Euro-Dollar Futures Options data.

LIBOR STERLING FUTURES OPTIONS

Table showing LIBOR Sterling Futures Options data.

EUROPEAN OPTIONS EXCHANGE

Large table showing European Options Exchange data with columns for Series, May 88, Jun 88, Jul 88, and Status.

BASE LENDING RATES

Table showing base lending rates for various banks and currencies.

FT - ACTUARIES WORLD INDICES

Table showing FT Actuaries World Indices for various countries and regions.

Looking for guidance on official policy

THERE ARE no important UK economic statistics this week, but the financial markets will be looking for guidance on interest rate and exchange rate policy...

US figures on unemployment will be released on Good Friday. UK clearing bank base lending rate is 9 1/2 per cent from March 17.

Warburg Securities expects 200,000. Morgan Grenfell also expects some correction after the February surge, since retail, services and construction sectors all seemed to show exceptional gains.

Barrings Economics Unit suggests a rise of 120,000, but Nomura expects a sharp downturn, resulting in a fall of 30,000.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates for various currencies.

BANK OF ENGLAND TREASURY BILL TENDER

Table showing Bank of England Treasury Bill Tender details.

WEEKLY CHANGE IN WORLD INTEREST RATES

Table showing weekly change in world interest rates for various regions.

NEW YORK

Table showing New York market data including Treasury Bills and Bonds.

LONDON MONEY RATES

Table showing London money rates for various financial instruments.

TREASURY BILLS AND BONDS

Table showing Treasury Bills and Bonds data.

LIBOR EURO-DOLLAR FUTURES OPTIONS

Table showing LIBOR Euro-Dollar Futures Options data.

LIBOR STERLING FUTURES OPTIONS

Table showing LIBOR Sterling Futures Options data.

LIBOR DOLLAR FUTURES OPTIONS

Table showing LIBOR Dollar Futures Options data.

LIBOR EURO-DOLLAR FUTURES OPTIONS

Table showing LIBOR Euro-Dollar Futures Options data.

LIBOR STERLING FUTURES OPTIONS

Table showing LIBOR Sterling Futures Options data.

LIBOR DOLLAR FUTURES OPTIONS

Table showing LIBOR Dollar Futures Options data.

LIBOR EURO-DOLLAR FUTURES OPTIONS

Table showing LIBOR Euro-Dollar Futures Options data.

MANCHESTER AS A FINANCIAL CENTRE. The Financial Times proposes to publish this survey on: Wednesday 20th April 1988. For a full editorial synopsis and details of available advertisement positions, please contact: BRIAN HERON on 061-834 9381.

A FINANCIAL TIMES INTERNATIONAL CONFERENCE. THE NEWSPAPER INDUSTRY - A PERSPECTIVE OF THE NEXT 5 YEARS. 12 & 13 April, 1988. Hotel Inter-Continental, London. For information please return this questionnaire together with your business card.

